Green Transition and Urban Requalification
Cost and Benefit Analysis of an Integrated Urban Project in Paskuqan

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Abstract - *This study examines the economic, social, and environmental impacts of a potential urban renewal project in the Paskuqan area, a potential inter-municipal development zone in suburban Tirana. Part of the municipality of Kamëz (Albania), Paskuqan has emerged as a rapidly growing suburban area over the past decade. Previously marginalised, it is now undergoing a significant transformation driven by public and private investments. The area extends along the banks of the Tirana River and is adjacent to Paskuqan Lake, presenting a unique opportunity for urban renewal. This involves enhancing infrastructure to reduce pressure on the city centre by encouraging a more polycentric growth pattern and improving connectivity to peripheral areas. The proposed requalification project aims to develop a green corridor along the river and the surrounding lake, establishing an essential ecological and recreational public space that enhances the quality of life for existing and new communities, promoting wellbeing and resilience. This study employs a simplified Social Cost-Benefit Analysis (SCBA) as an exploratory ex-ante planning tool to qualitatively evaluate the project's expected costs and benefits within a conceptual methodological framework. Due to limited data availability, the SCBA is applied at a conceptual level (qualitative), without calculating the quantitative viability indicators. Nevertheless, the transition to a more sustainable urban environment through integrated place-based urban projects is anticipated to alleviate the adverse effects of rapid urbanisation and foster green transition. While focused on an Albanian case, the findings contribute to broader discussions on integrated urban planning and green urbanism in transitional city contexts.*

Keywords - Green Transition, Urban Growth, Urban Requalification, Cost and Benefit Analysis, Integrated Planning, Green Infrastructure

Introduction

Post-socialist Albania presents a unique model of unregulated development driven by informal activity, income inequality, and disparities, characterised by a weak public authority over land, planning, and construction alongside limited public investment capacities (Shutina, 2015; Dino & Griffiths, 2023). The land and real estate markets have been heavily dominated by informality, with more than 350,000 informal buildings as reported by Shutina (2015), demonstrating weak public governance of urban developments. Meanwhile, development pressure from the formal construction sector has surged in cities like Tirana, extending beyond the city centre into suburban areas where land costs are lower, and access to building permits (when under the administration of former communes neighbouring Tirana) was easier. Proximity to main roads and urban areas has also contributed to this trend. Shutina (2015) notes that a free-riding mechanism has emerged – private interests (intensive construction with significant profit margins) have often taken precedence over public interests (sustainable resource use, urban planning, and service provision through strategic infrastructure). This situation is evident in the case of two neighbouring but distinct municipalities, Tiranë and Kamëz, which function as a cohesive urban region despite their formal territorial boundary. The need for coordinated planning across such boundaries has become increasingly apparent in the face of these challenges (Shutina, 2015).

Merging fourteen administrative units (following the Territorial and Administrative Reform of 2015), the Municipality of Tiranë accounts for approximately one-third of Albania's total population (according to civil register data). It spans an area of 1,110 square kilometres and has an average population density of 682 inhabitants per square kilometre. Contrary to the declining population trend in Albania since the 1990s (Hansen et al., 2023; INSTAT, 2025), the municipality of Tirana has witnessed positive net migration and natural population growth over the last two decades, according to INSTAT (2023). This growth has spurred accelerated urbanisation (both formal and informal), presenting significant infrastructural, social, economic, and environmental challenges for public authorities and communities.

Dino and Griffiths (2023) regard Tirana as a unique post-socialist example of rapid and uncontrolled growth. The first regulatory plan for Tirana was developed by Austrian architects in 1923, aiming to establish a clean, rectangular street network with the city centre centred around the bazaar (Aliaj, Lulo, & Myftiu, 2003; Kera, 2004). Two years later, the Italian architect Brasini proposed a master plan for rearranging the city centre, and in 1926, a second regulatory plan for Tirana was created. This plan delineated Tirana's boundaries, introduced a grid-like street system (a combination of an orthogonal network and a series of concentric rings), and promoted functional zoning to accommodate urban growth, an increasing population, and improved urban livability. Over the decades, as noted in Dhamo, Aliaj, & Thomai (2016), subsequent regulatory plans have transformed the city's landscape, form, and functions, evolving into a political and administrative gravitational centre. Urban development patterns, characterised by strong centralisation and functional concentration, an increasing population, and insufficient infrastructure, particularly in informal areas, have put additional pressure on the city's road infrastructure, resulting in frequent traffic congestion and heightened environmental concerns. The latest General Local Plan for Tirana, the primary planning and development instrument of the municipality of Tiranë, was approved in December 2016 by the Municipal Council and in April 2017 by the National Territorial Council (Decision of the National Council of the Territory No 1 dated 14.04.2017). It envisions a gradual shift from the monocentric city conceived by architect Brasini in 1926 to a polycentric one, aimed at reducing the centre-periphery dichotomy and developing new urban centres (Municipality of Tiranë, 2017). The containment of urban sprawl and land consumption is part of the Tirana 2030 vision, facilitating an "open city with multiple access points, evolving through the renewal, replacement, and reuse of existing resource endowment" (Municipality of Tiranë, 2017, p. 18). Tirana's 2030 vision is operationalised through a card of 22 main rules and an atlas of 13 strategic "projects" (intervention areas), which will be further developed over the next 15 years.

The neighbouring municipality of Kamëz represents a more recent reality, having been officially established in 1996. The municipality has a population density of approximately 3,260 inhabitants per square kilometre and a total area of approximately 37 square kilometres. Previously an agricultural area, it served as a refuge for individuals from various regions of Albania seeking improved opportunities during the early 1990s. Following the 2015 territorial and administrative reform, the municipality of Kamëz was integrated with the former commune of Paskuqan, forming the current municipality of Kamëz. The amalgamation of Paskuqan into Kamëz was controversial, not least because Paskuqan is geographically an enclave within Tirana's metropolitan area. The General Local Plan of Kamëz sets a vision for the municipality as "an urban and logistic centre, part of the metropolitan capital, fulfilling the needs for housing, employment and services of this metropolis. The municipality of Kamëz contributes to the creation of Tirana's green crown with the Lake of Paskuqan, the surrounding hills and rivers" (AKPT, 2022, p. 81). Despite its administrative inclusion in the municipality of Kamëz since 2015, Paskuqan currently plays a crucial role in the road infrastructure and transport network, with both Lot 5 and Lot 6 of the Tirana Ring Road traversing through Paskuqan. Furthermore, Paskuqan has garnered attention in recent years due to its potential integration within Tirana's metropolitan framework, particularly along the newly extended main boulevard, its proximity to the new train station, and the prospect of a connection to Tirana Airport. Historically characterised as a suburban settlement, Paskuqan has transformed into a mixed-use zone marked by intensive residential and commercial construction activities. There is an ongoing formalisation process for the informal structures, facilitated by coordinated efforts between central and local authorities. While different in many aspects, the municipalities of Tiranë and Kamëz share similar problems and face similar challenges. In particular, and relevant to the scope of the study, both suffer from exploding traffic and massive congestion, as

well as air and noise pollution, and a lack of public spaces.
From a development perspective – and for the purposes of this research – Paskuqan is considered an inter-municipal development area subject to concurrent pressures from both Kamëz and Tiranë. Both municipalities suffer from exploding traffic congestion, air and noise pollution, and a lack of public green spaces in their urbanised parts, underscoring the need for collaborative solutions. In this context, we propose an integrated inter-municipal urban requalification project to alleviate development pressures in both jurisdictions. Integrating urban transformations through a place-based requalification strategy (an incremental approach) may serve as a tool to promote a green transition and enhance community livability (Hansen et al., 2023; Nepravishta, Maliqari, & Cuedari, 2015). This integrated urban planning approach views urban projects as intersectoral challenges. For instance, a mobility problem cannot be resolved solely through transport planning; it necessitates consideration of additional factors such as the conceptualisation of public space, land use, the socio-economic fabric of the communities, and other elements. Moreover, some urban projects operate at different spatial scales and may require collaboration among various government units at the same level and/or across multiple governance levels to develop integrated solutions. Consequently, an integrated planning process encompasses all these scales and stakeholders (vertically and horizontally) when tackling an urban challenge through an urban project. The place-based approach is crucial in addressing the local context, accounting for the socio-economic conditions of communities and other site-specific factors that affect the area's requalification.
This case study contributes to broader debates on sustainable urban transitions by illustrating how integrated planning and green urbanism can be applied in a peri-urban, post-socialist context. Similar challenges are observed in other Eastern European and Balkan cities undergoing rapid suburban growth. Investing in green infrastructure and urban renewal can transform cities by enhancing the quality of life, strengthening the local economy, and mitigating environmental impacts. Thus, lessons from Paskuqan's requalification are pertinent beyond Albania, offering insights for managing urban growth and green transitions in transitional and fast-urbanising regions. In particular, the study is positioned as a first framework for using SCBA to

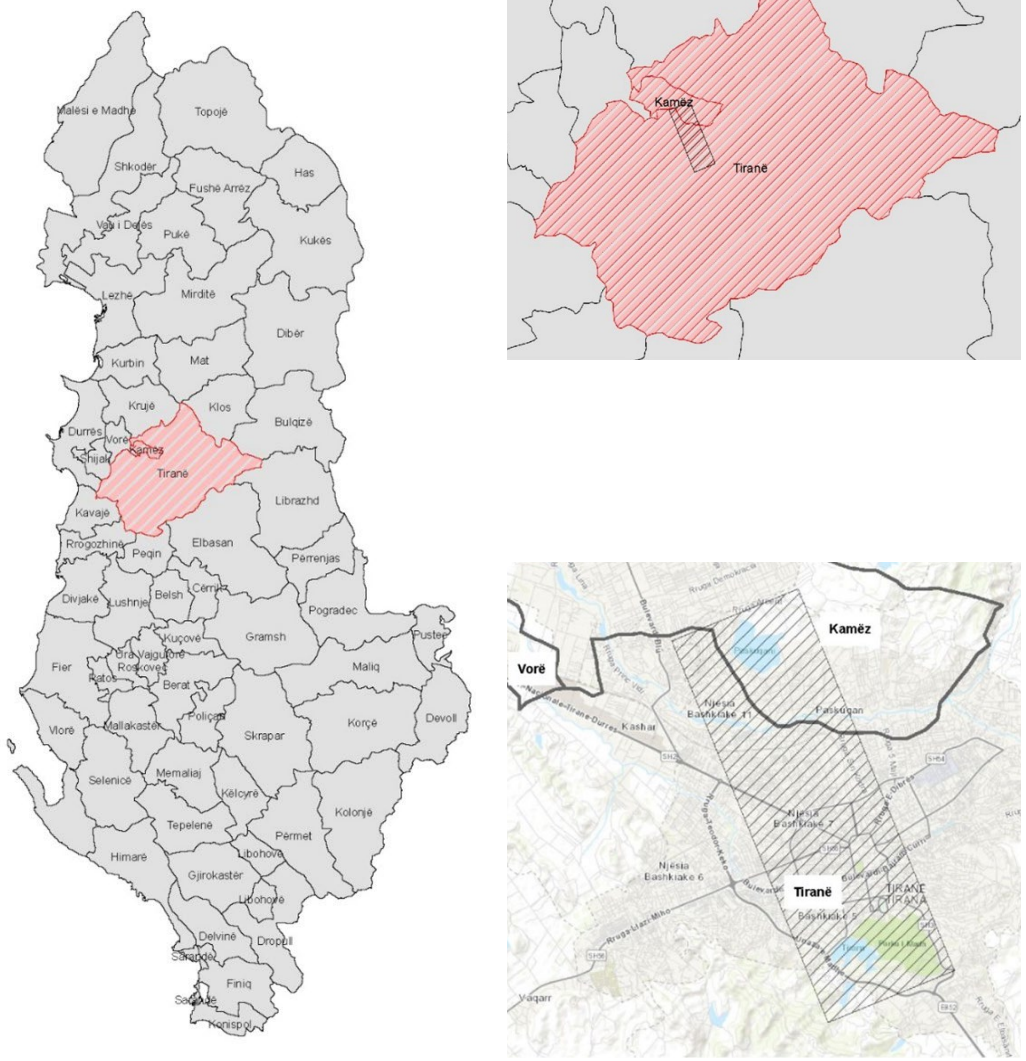

Fig 1/ : Territorial division in Albania at the municipal level. *source/ author's processing (2025)*

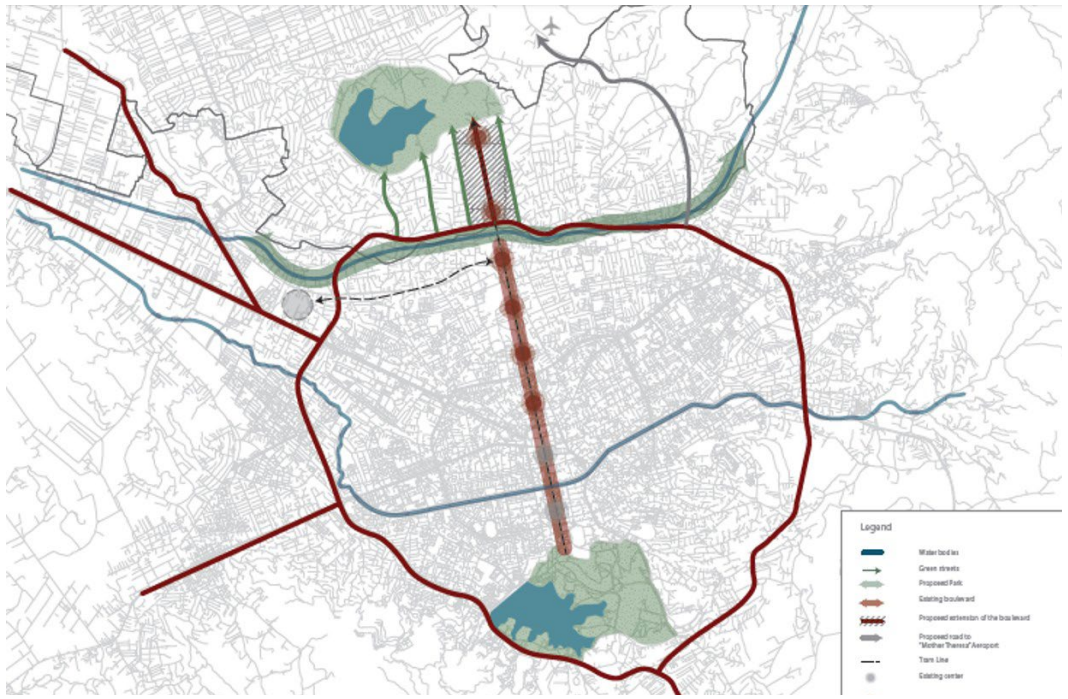

Fig 2/ : Paskuqan integrated urban project proposal (1) *source/ author Pustec (2023)*

evaluate integrated urban projects in data-scarce situations, emphasising a qualitative approach. The objectives are framed exploratorily: rather than delivering a complete empirical cost-benefit analysis with precise figures, the study presents an approach to identify and conceptually assess the social, economic, and environmental costs and benefits of the proposed project. The following sections outline the methodology, results (proposed project and anticipated impacts), and conclusions with recommendations, including discussions on governance and community inclusion.

Methodology

The study employs an exploratory methodological approach to analyse how the proposed integrated, place-based urban project in Paskuqan might affect the area's socio-economic landscape and generate spillover effects in the adjacent municipality of Tirana. We adopt a Social and Environmental Cost-Benefit Analysis (SCBA) framework based on existing information and secondary data (from official sources), supplemented by international best practices and insights from desk research on comparable urban projects. The SE-CBA is an extension of the conventional CBA, accounting for the costs and benefits to a greater extent, including economic, social, and environmental impacts. This approach is widely used as an ex-ante decision-support tool for infrastructure and urban development projects in Europe and beyond (Valenza & Vignetti, 2006; Wilbers et al., 2022). The information regarding costs and benefits enables decision-makers to determine the viability of an investment project and compare competing investment projects in terms of value-added beyond the interests of shareholders.
However, it is important to note that in early-stage or exploratory studies, not all impacts can be readily quantified. "Indicative" SCBA approaches have been proposed for such situations, which rely on informed assumptions to estimate costs and benefits when complete data are lacking. In our study, given the limited availability of context-specific data for Paskuqan, the SCBA remains qualitative and conceptual in nature. This limitation is acknowledged upfront: no economic performance indicators (ENPV, EIRR, BCR) are computed due to the insufficient availability of quantitative data. Instead, the SCBA framework serves to outline qualitatively how the proposed intervention could create value (or incur costs) across different dimensions, and what data would be needed in the future to evaluate the project's viability fully.
From a technical point of view, the ES-CBA preparation process involves the following steps:
Identification of the expected outcomes (positive and/or negative) resulting from project implementation, integrating information from desk reviews, technical projects, expert judgement, and international practices and benchmarks.
Quantifying and monetising the expected outcomes associated with the costs and benefits of project implementation (when possible, dependent on data availability and/or benchmarks) is strongly influenced by the project's development stage and the resources and data available.
Assessment of net impacts involves the difference between the "with the project" and "without the project" scenarios (the counterfactual). The counterfactual (without the project scenario) considers the change that might have occurred, irrespective of the intervention. This approach captures the "net change" that can be explicitly attributed to the proposed intervention.
Assessment of cost and benefit behaviour over the reference period – evaluate how costs and benefits will change over time (using average growth rates, trends when available, or introducing assumptions); Discounting costs and benefits to obtain present values (converting future costs and benefits into present value using a social discount rate.
The computation of the economic performance indicators, namely ENPV - Economic Net Present Value, EIRR - Economic Internal Rate of Return, and BCR - Benefits to Costs, is essential. The ENPV is calculated as the difference between the discounted benefits and costs from the project over the reference period. A positive ENPV suggests a viable intervention, while a negative ENPV indicates a non-viable intervention. The EIRR is the ratio that results in a zero ENPV. Generally, for an intervention to be viable, the EIRR should exceed the social discount rate utilised in the analysis (therefore,

Fig 3/ : Paskuqan integrated urban project proposal (2) *source/ author Pustec (2023)*

the proposed intervention creates added value). The intervention does not produce added value if the EIRR falls below the social discount rate. The benefits-to-cost ratio (BCR) is a straightforward indicator calculated as the ratio of the sum of discounted economic benefits to the costs considered in the analysis. The BCR reveals how many euros are generated by the intervention for each euro invested over the project's time horizon. If the BCR is less than one, the project's costs outweigh its benefits over the reference period (no value is created). Conversely, if the BCR exceeds one, the benefits surpass the costs over the reference period, indicating that the intervention creates value for each euro invested. A BCR equal to zero implies that the intervention does not generate value, and its viability remains uncertain. In this exploratory study, we did not calculate ENPV, EIRR, or BCR, due to the aforementioned lack of quantitative data. We explicitly acknowledge that this is a limitation – without these metrics, the analysis stops short of a definitive economic viability assessment. Instead, the study provides a template for what would be needed to calculate these indicators in the future (data on costs, beneficiaries, monetizable benefits, etc.).

The approach serves as a conceptual SCBA model that policymakers and researchers can build upon once more data becomes available. The methodology is less about computing exact figures and more about mapping out the expected costs and benefits in a systematic way, highlighting where the project's value lies and what uncertainties exist. This exploratory SCBA thus guides decision-makers by identifying key factors that would affect the project's desirability and pointing out information gaps to be addressed in future studies.

Results

The proposed project

The proposed integrated urban project will reconceptualise the Paskuqan area as a new urban pole through urban regeneration. It envisions establishing a vital ecological and recreational public space that enhances the quality of life for existing and new communities and simultaneously alleviates pressure from the urban centres of Kamëz and Tiranë. Through the proposed case, this work aims to advance research on whether green transitions can effectively address the rapid urbanisation and environmental challenges faced by modern cities, while promoting wellbeing and resilience.

The proposed integrated requalification and urban renewal project for Paskuqan includes the construction of pedestrian-friendly zones, green spaces, and better accessibility to the city centre of Tirana through the main new boulevard. The area's future vision prioritises environmental harmony, including parks, riverside pathways, and energy-efficient architecture. The integrated urban project includes a series of strategic interventions. First, the proposal extends the existing new boulevard of Tirana leading to Paskuqan Lake. This extension will create a new peripheral urban hub that mirrors Tirana's artificial lake, improving accessibility and mobility for the concerned municipalities. Second, the transformation redesigns the existing roadways, facilitating multiple access points to the new configuration while introducing an additional ring connected to the current ring road and directing toward the Tirana International Airport. In turn, such interventions are assessed as reducing GHG emissions, a substantial contributor to deteriorating air quality and climate change.

Thirdly, the proposal includes regenerative interventions along the Tirana River, such as enhancements to the riverbed and the creation of green spaces, pedestrian pathways, and cycling lanes (the river is highly polluted from industrial waste (AKPT, 2022). Fourth, the lake's surroundings in Paskuqan should be redesigned to offer a high-quality green public space for recreational purposes for the local communities. The Lake of Paskuqan is one of the most important water resources in the municipality, covering approximately 90 ha, and contains some informal buildings (built after the 90s). The interventions along the river and Tirana Lake have two objectives. The primary objective is to enhance greenery in the area, contributing to the health of the population and thereby improving their quality of life, while counterbalancing the adverse effects of intensive construction activity in the region. The second objective pertains to reducing natural disaster risk. The Paskuqan area faces an increased risk of flooding and landslides, as noted in the General Local Plan – Environmental Strategic Assessment document (AKPT, 2022).

Costs and benefits: identification and monetisation

The proposed investment project is anticipated to encompass various costs and benefits. In light of the SE CBA, it is imperative to identify the sources of costs and benefits and integrate strategies for mitigating adverse impacts during the initial planning stages. Below, we outline the main anticipated cost categories (investment and beyond) and benefit categories. For each category, we indicate qualitatively its nature and potential magnitude, noting where quantification would be possible if data were available.

A. Sources of costs

- Initial investment costs (CAPEX). The proposed integrated urban project will require significant upfront capital to cover capital expenditures for land acquisition (and/or expropriation costs), project design, construction at all phases, and other unforeseen capital costs. Beyond financial resources, for the proposed project to work in practice, it is necessary to negotiate and sign an inter-municipal cooperation agreement (particularly emphasised in Law No. 139/2015 "For the Local Self-Government") and share the associated costs and benefits between the municipalities of Tirana and Kamëz. Such coordination may involve transaction costs and political negotiations (not quantified in this study)
- Operating and maintenance costs (OM). Once built, the new infrastructure and public spaces will incur recurring costs. These include road maintenance (resurfacing, cleaning, and winter services), park maintenance (landscaping, security, and waste collection), and the operation of any facilities (lighting, water management for lake/river features, etc.). The managing authorities (likely both municipalities, or a jointly created entity) must budget for these long-term O&M costs to ensure the project's sustainability. If not adequately planned, inadequate maintenance could undermine the project's benefits (e.g. parks falling into disrepair). There are two ways OM costs can be estimated: (i) item-based cost estimation, which is more accurate and detailed, and (ii) as a percentage of the overall investment value (ex., ranging from 5 to 20% of the investment value), which is less accurate but easier to apply.
- Environmental costs (construction and externalities). The implementation of the proposed project is expected to have a significant environmental impact, including natural habitat disruption, increased pollution during and post-construction phase due to increased traffic in the area, resource consumption during and after project implementation, increased noise pollution (during the construction phase), increased amount of waste generated and mobility problems during (particularly during the construction phase). Post-construction, if the project generates more traffic in the area (at least temporarily or as new development emerges), there may be increases in pollution (air and noise) until greener mobility becomes more effective. Additionally, new roads could encourage more car use (the classic induced demand concern), though mitigation through public transport and cycling infrastructure is possible. There is also the risk of ecological disruption – for example, paving and building could contribute to urban runoff unless properly managed. These environmental costs are real but difficult to monetise without detailed environmental impact data.
- Parking costs. The new infrastructure is expected to generate additional costs and inconvenience for residents and businesses in the area affected by the project, especially during the implementation phase. For instance, roadworks can cause temporary road closures or detours, leading to longer travel times and inconvenience ("time cost" to commuters). There will be noise and vibration that may affect nearby homes. Access to properties might be temporarily restricted. While these disruptions are temporary, they can strain community relations.
- Costs associated with support and services infrastructure are vital. Establishing a new urban hub is anticipated to attract more residents to the area. This trend can be observed and supported by a rise in construction permits for residential and service purposes (observation during field visits). The intervention will necessitate local authorities to rethink and reconceptualise the delivery of public services, including nurseries, kindergartens, health centres, public lighting, schools (9-year and high schools), transport services, waste management, and other local services. As development accelerates, failing to provide these services could lead to quality-of-life issues. Therefore, the project implies indirect costs to ensure that supporting infrastructure and services keep pace.
- Affordability and gentrification. As Paskuqan becomes more attractive and accessible, property values and rents are expected to rise (this is also listed as a benefit, but it has a flip side). Long-time lower-income residents, including vulnerable groups that have historically settled in the area due to its affordability, may find themselves priced out. Displacement can occur when rents rise above what local households can afford, forcing them to relocate to more peripheral or underserved areas. This is a socio-economic cost: it undermines community cohesion, can increase commuting if people move farther away, and raises equity concerns. Gentrification can erode the social diversity and

inclusivity of the community. While increased property values are a sign of economic success, unmanaged gentrification can create social costs that are hard to quantify (loss of social networks, cultural displacement, etc.). Mitigating this might involve policies like inclusionary zoning (ensuring a portion of new development is affordable), rent control measures, or providing support for vulnerable residents.

- Community disruption. Beyond economic displacement, the project could disrupt the existing community in other ways. Construction itself, as noted, causes temporary disturbances. If new developments emerge (e.g., upscale housing or commercial projects along the new boulevard), the character of the neighbourhood may change. Long-time residents may feel a sense of loss of place or identity as new populations move in. There may also be perceived social costs, such as increased insecurity, if construction sites or new vacant buildings (during the transition) create hazards or attract petty crime. Ensuring continuous community engagement is critical – residents should feel they have a stake in the new developments to minimise resentment or distrust. Some costs in this category include the need for community liaison officers, public meetings, and possibly compensation or assistance programs (for those severely affected by, say, expropriations or relocations.

B. Sources of benefits

Economic growth. Requalification investment projects are evaluated to stimulate economic growth in the affected area and its surroundings. The local economy is expected to benefit from direct investment, and land values are anticipated to rise. An example is the increasing land value and real estate prices following the construction of the new boulevard and in the nearby areas of the new ring road. Additionally, indirect positive effects triggered by the intervention include job creation during and after construction, as these projects require staff for operation, maintenance, security, and other services.

- Increased property value. The requalification and creation of the new urban pole of Paskuqan are expected to increase property values in the surrounding area. Upscale buildings may attract higher-income residents and businesses, contributing to a more affluent neighbourhood.

Improved infrastructure and services. The requalification of the Paskuqan area may stimulate additional investment in infrastructure, including roads, utilities, services, and public spaces, improving living conditions for residents. Moreover, the extra financial resources generated by the local infrastructure impact tax (derived from construction activity) empower local authorities to upgrade essential infrastructure needs.

- Increased local government revenues. Increased real estate prices and values can lead to higher property tax revenue for local governments. This additional revenue can be allocated to fund public services and improve infrastructure. Additionally, new developments are subject to various local taxes and fees, particularly the waste management fee. Additionally, if new businesses open, employment rises, and consumption increases, there may be indirect fiscal benefits (although income and Social contributions go to the central government, local economies benefit). We can foresee that, over time, the intervention could enhance the fiscal capacity of Kamëz, which currently has limited revenue, thereby enabling it to further invest in services.

- Attracting new potential private investments. The requalification of the Paskuqan area through public investment might also spark the interest of private investors, drawing in additional investment and development. Businesses may be more inclined to establish themselves in an upscale neighbourhood, resulting in further economic growth for the area. From an SCBA perspective, private investment drawn to the area is not a benefit per se (since it is essentially a transfer of where investment happens). However, the additional value created by those investments can be considered (like higher-quality housing, new jobs, etc., beyond what would have happened without the project).

- Environmental benefits. Increased green space and tree cover help sequester carbon dioxide and improve air quality (particularly important in an area currently lacking in greenery). Improved accessibility and new walking/cycling infrastructure may encourage a modal shift away from cars for some local trips, reducing vehicle emissions and noise, and contributing to a healthier environment. Importantly, the interventions on the river and lake have risk reduction benefits: improved flood management (fewer flood damages to property, reduced disaster risk costs) and reduced landslide risk on slopes (which protects both lives and assets). Such benefits can be significant; for example, avoided flood damage can save communities and governments substantial money over time. Although we have not monetised these, they contribute to our resilience. Additionally, the presence of nature has well-documented benefits for mental and physical health (lower stress, opportunities for exercise, etc.). In the long run, the project could lead to fewer health expenditures by promoting an active lifestyle and cleaner air.

- Increased safety and security. Urban regeneration can improve safety in two ways. First, better infrastructure (e.g., well-lit streets, proper sidewalks) reduces accidents and injuries – for instance, currently unsafe pedestrian crossings would be replaced by safer designs, lowering traffic accidents. Second, creating active public spaces and eliminating derelict areas can reduce crime and anti-social behaviour. A park that is frequented by families and patrolled is safer than an abandoned riverside used for illegal dumping or informal activities. The project's holistic approach aims to "design out" crime by providing legitimate uses for spaces (a concept in environmental design). A more vibrant, well-maintained neighbourhood tends to have higher informal surveillance (the "eyes on the street" effect), deterring crime. Although it is difficult to measure, an increase in perceived security and actual safety is a genuine social benefit. It increases the area's desirability and quality of life. (Social benefit; qualitative.)

For clarity, Table 1 below summarises the main economic, social, and environmental costs and benefits discussed, and notes whether each category has been quantified or remains qualitative in our analysis.

The qualitative SCBA matrix serves as a checklist of expected impacts, highlighting where data are required for a complete analysis. For instance, to monetise benefits such as travel time savings or carbon emission reductions, one would need baseline traffic data and emission factors; to monetise flood risk reduction, one would need flood models and damage functions; to quantify gentrification, one might analyse demographic and price trends. Identifying these needs is an outcome of our methodological approach. Because the necessary quantitative information (traffic counts, real estate market data, environmental measurements, etc.) was not available or is beyond the scope of this exploratory study, we have not estimated the specific economic indicators introduced in the methodology. In other words, we do not report an Economic Net Present Value (ENPV), Economic Internal Rate of Return (EIRR), or Benefit-Cost Ratio (BCR) for the project. These would generally be the bottom-line metrics indicating viability (with ENPV > 0, EIRR > discount rate, BCR > 1 being favourable outcomes). The absence of such results is an acknowledged limitation. The lack of ENPV/EIRR/BCR does not mean the project lacks merit; rather, it reflects the absence of data to prove the project's merit in numerical terms rigorously. Further research and data collection are needed to fill this gap.

Category	Nature	Dimension	Quantified in the study
Initial investment costs (CAPEX)	Cost	Economic (financial)	No (qualitative discussion only; data needed for exact figure)
Operating & maintenance costs (O&M)	Cost	Economic	No (qualitative)
Environmental disruption (construction)	Cost	Environmental	No (qualitative)
Construction-phase disturbances (e.g., traffic, parking loss)	Cost	Social/Economic	No (qualitative)
Public service expansion (infrastructure, schools, etc.)	Cost	Economic/Social	No (qualitative)
Gentrification & affordability loss	Cost	Social	No (qualitative)
Community disruption (relocations, nuisance)	Cost	Social	No (qualitative)
Economic growth & jobs	Benefit	Economic	No (qualitative, with anecdotal evidence)
Increased property values	Benefit	Economic	No (qualitative, trend observed but not measured)
Improved infrastructure & mobility	Benefit	Social/Economic	No (qualitative)
Higher local tax revenues	Benefit	Economic	No (qualitative)
Attraction of private investment	Benefit	Economic	No (qualitative)
Environmental gains (GHG reduction, flood mitigation	Benefit	Environmental	No (qualitative)
Enhanced public health and safety	Benefit	Social	No (qualitative)

Tab. 1. Summary of the costs and benefits associated with the Paskuqan Project source/ author (2025)

Conclusions and recommendations

The proposed integrated place-based urban project in Paskuqan is a forward-looking intervention designed to transform a rapidly growing peri-urban enclave into a sustainable and well-served urban node. By extending Tirana's main boulevard to Paskuqan, improving multimodal accessibility to the Ring Road and airport highway, rehabilitating

the Tirana River into a green corridor, and creating a large urban park around Paskuqan Lake, the project addresses multiple urban challenges simultaneously. This case advances the idea that green transition strategies – combining infrastructure upgrades with environmental restoration – can be an effective way to tackle the negative externalities of rapid urbanisation (such as sprawl, congestion, and pollution) while fostering urban resilience and improving quality of life. It effectively operationalises, at the project scale, the broader Tirana metropolitan vision of polycentric, sustainable growth. In essence, this study serves as a preliminary planning tool, guiding where further feasibility studies should focus.

The municipalities of Tirana and Kamëz have markedly different financial capacities and administrative resources – Tirana being the wealthier and more institutionalised, Kamëz having more constrained means. However, both stand to benefit from the project (and indeed, both suffer from the current problems the project aims to solve). We strongly recommend establishing a formal governance model for the project that ensures joint ownership and fair distribution of costs and benefits. One potential model would be the creation of a metropolitan coordinating committee or agency dedicated to the development of Paskuqan. This could be a joint planning authority with representatives from both Tirana and Kamëz. Such a body would be responsible for integrated planning, implementation oversight, and maintenance of the project. A cost-sharing arrangement should be devised – for example, the upfront capital costs might be co-financed through a special agreement where Tirana contributes a larger share (reflecting its greater budget and the metropolitan significance of the project). In comparison, Kamëz contributes in kind (land or facilitation) or a smaller share, with the understanding that both municipalities will share the resulting increases in revenue (perhaps through tax revenue sharing in the project area or other compensation). The Albanian legal framework (Law 139/2015 "On Local Self-Government) already provides for inter-local cooperation; this project could pilot an innovative application of that law. In an international context, metropolitan regions often establish special-purpose entities for cross-border projects – a similar approach here could mitigate the "free-rider" problem noted by Shutina (2015), ensuring neither municipality free-rides on the other's investments. External funding sources (such as EU structural funds, international development banks, or national government grants) should also be pursued to ease the local financial burden; these higher-level funds often require evidence of cooperative governance as a condition, which again underscores setting up a joint governance structure. Particular attention must be given to housing affordability, gentrification, and community disruption. The best international practices suggest integrating the community through extensive consultation during the planning and implementation of any urban project. Additionally, evaluating the project's actual impact in the local context is crucial for guiding similar interventions in the future.

In conclusion, the Paskuqan integrated urban project represents a bold initiative aligned with contemporary principles of sustainable urban development, as it seeks to decentralise growth, integrate land use with green infrastructure, and involve multiple stakeholders in a shared vision. The exploratory SCBA conducted offers a comprehensive look at the spectrum of expected impacts, despite its qualitative nature. We find that the project holds promise in delivering significant social and environmental benefits, in addition to economic development. However, successful implementation will depend on proactive governance arrangements and the safeguarding of inclusivity. The study's primary contribution is methodological – demonstrating how SCBA thinking can be applied ex ante in a data-poor setting to structure decision-making – and contextual, highlighting the importance of inter-municipal coordination for metropolitan projects.

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