

Independent Project Accountability Mechanism

Third Problem Solving Monitoring Report

Albanian Railways EBRD Project Number 48466 Case 2023/02

March 2025

The Independent Project Accountability Mechanism (IPAM) is the European Bank for Reconstruction and Development's (EBRD) accountability mechanism. IPAM independently reviews issues raised by individuals or organisations concerning Bank-financed projects that are believed to have caused or be likely to cause harm. The purpose of the mechanism is to facilitate the resolution of social, environmental, and public disclosure issues among project stakeholders; to determine whether the Bank has complied with its Environmental and Social Policy and the project-specific provisions of its Access to Information Policy; and, where applicable, to address any existing noncompliance with these policies, while preventing future non-compliance by the Bank. For more information about IPAM, contact us or visit <u>www.ebrd.com/project-finance/ipam.html</u>

Contact information	How to submit a complaint to the IPAM
The Independent Project Accountability	Concerns about the environmental and social
Mechanism	performance of an EBRD Project can be
European Bank for Reconstruction and	submitted by email, post or via the online form
Development	at:
Five Bank Street London E14 4BG	他 https://www.ebrd.com/project-
	finance/ipam.html
Telephone: +44 (0)20 7338 6000	
Email: ipam@ebrd.com	

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Unless otherwise indicated, capitalised terms used in this report are those as set forth in the 2019 Project Accountability Policy.

LIST OF ABBREVIATIONS

Abbreviation	Long Form
Board	the Board of Directors of the European Bank for Reconstruction and Development
Case	the consideration of a Request under the Project Accountability Policy following its registration
CAO	the Chief Accountability Officer of the EBRD, and IPAM head
Case Registry	the registry of Cases created in accordance with Section III, Paragraph 3.1 of the Project Accountability Policy, which can be found on the <u>IPAM Webpage</u>
Compliance	the IPAM function which determines whether EBRD has complied with its Environmental and Social Policy or the Project-specific provisions of its Access to Information Policy in respect of a Project
EBRD (or Bank)	the European Bank for Reconstruction and Development
ESIA	Environmental and Social Impact Assessment
ESP	the EBRD's Environmental and Social Policy in force at the time of Project approval
IPAM	the Independent Project Accountability Mechanism of the EBRD established as per the 2019 Project Accountability Policy
IPAM Head	the EBRD managing director responsible for the running of IPAM, the implementation of the Project Accountability Policy and for making the decisions that are the responsibility of IPAM under said Policy
PAP	the 2019 Project Accountability Policy
Parties	the individuals, entities, and/or organisations with a direct interest in a Case. Parties may include (but are not limited to): the Requesters; their Representatives, if any; the relevant Bank department, team, or unit; the Client; and other Project financiers or other entities responsible for the implementation of a Project
Problem Solving PSD	the IPAM function which supports voluntary dispute resolution engagement between Requesters and Clients to resolve the environmental, social, and public disclosure issues raised in a Request, without attributing blame or fault. Project Summary Document
President	the President of the EBRD

Executive Summary

On 15 December 2022 the <u>Independent Project Accountability Mechanism</u> (IPAM) received a <u>Request</u> from Mr Ditmir Zeqa, a representative of 60 individuals (Requesters) residing in the Berxull community, in Vore Municipality, Albania. The Request is related to the EBRD-funded <u>Albanian Railways Project</u> (OP ID 48466). Requesters alleged that they would lose access to their businesses and homes as well as to the local mosque because the level rail crossing, they currently use would be closed as the railway corridor would be fenced. Although they acknowledged that the Project considered a vehicular crossing some kilometres away, they considered that too far for pedestrians and expressed that the connecting access roads are unsuitable for heavy vehicles. Requesters asked for their concerns being addressed through Problem Solving.

On 26 July 2023 IPAM facilitated a joint meeting of Parties in Berxull where the Problem Solving Agreement was signed. The Case was then transferred to the Problem Solving Monitoring stage where IPAM oversees implementation of the agreements and reports on progress every six months. The first monitoring report was issued in February 2024 and the second in September 2024 and are available in the virtual case registry under <u>Case 2023/02</u>.

During the third monitoring period (August 2024 - January 2025) IPAM engaged with Parties to listen to their views and concerns and reviewed documentation shared by Parties. IPAM kept Requesters informed on the status of the Agreement implementation through virtual meetings, in addition an informational leaflet was produced and distributed to community members notifying them of the progress achieved, explaining the delays and next steps in the process.

During this period, a new underpass has been built near the mosque for small vehicles and pedestrians and is currently fully operational. In addition, the ancillary road for heavy vehicles is under construction and is expected to be asphalted in spring-summer, subject to weather conditions. In the meantime, the existing level crossing near the mosque remains open until the ancillary road is fully operational.

Some land needed to be expropriated for the ancillary road construction and that was done by the Albanian Railways following the EBRD requirements. A decision on expropriation follows to be issued by the Albanian Council of Ministers in the coming months. Following that, affected owners will be compensated accordingly.

The Albanian Railways assured IPAM that the existing underpass near a local hotel will continue accommodating small vehicles and pedestrians. IPAM appreciates the Parties' flexibility and openness in working together towards the implementation of the solution and wants to thank everyone for their collaborate approach.

This report was circulated to the Parties for comments prior to its disclosure and is submitted for information to the EBRD Board of Directors and the President. The report will be then made publicly available in the virtual case file <u>Case 2023/02</u> in both English and Albanian.

IPAM will continue monitoring the implementation of the Problem-Solving Agreement until all commitments made by Parties are effectively carried out. The fourth Problem Solving Monitoring Report will cover the period February - July 2025 and is expected to be issued in August 2025.

1. BACKGROUND

1.1. REQUEST

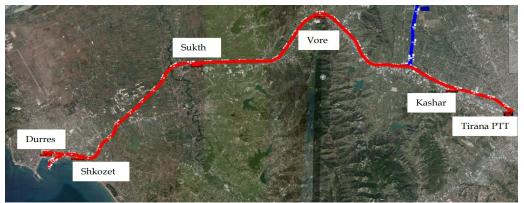
On 15 December 2022 the <u>Independent Project Accountability Mechanism</u> (IPAM) received a <u>Request</u> from Mr Ditmir Zeqa, a representative of 60 individuals (Requesters) residing in the Berxull community, in Vore Municipality of Albania. The Request is related to the EBRD-funded <u>Albanian Railways Project</u> (OP ID 48466). Requesters alleged that they would lose access to their businesses and residences as well as to the local mosque because the level rail crossing, they currently use would be closed as the railway corridor would be fenced. Although they acknowledged that the Project considered a vehicular crossing some kilometres away, they considered that too far for pedestrians and expressed that the connecting access roads are unsuitable for heavy vehicles. Requesters asked for their concerns being addressed through the Problem Solving.

1.2. PROJECT

The <u>Albanian Railways Project</u> (OP ID 48466) is a sovereign loan of 36.87 million euros to the Republic of Albania and is implemented by the Albanian Railways. The Project seeks to rehabilitate the existing railway line of 34.17 km in length between Tirana and Durres and build a new railway link of approximately 5 km to connect the existing Tirana-Durres rail line with the Tirana International Airport and the interchange with the existing line.

The Project was approved by the EBRD Board on 30 November 2016 and was classified as category B under the Bank's 2014 Environmental and Social Policy. According to the <u>Project Summary Document</u>, the Project would involve specific environmental and social issues, mainly due to the fencing of the rail corridor and closure of a number of crossings that are currently used by communities along the railway.

Tirana - Durres Railway line to be rehabilitated (red line), new Tirana International Airport connection (blue line)



Source: Land Acquisition Framework for the Albanian Railways Project

2. THE PROBLEM SOLVING INITIATIVE

The <u>Problem Solving Initiative</u> was conducted during July 2023 and was focused on ensuring that the technical solution proposed by the Client addresses the needs of the Requesters regarding pedestrian and vehicular access that will substitute the level crossing the community has been using for some time. Furthermore, the Requesters asked for a guarantee that the current level crossing would remain open until the technical solution becomes operational. On their side the Client asked the community to allow them to continue with railway construction works.

On 26 July 2023 IPAM facilitated a joint meeting of Parties in Berxull where the Client presented the technical solution to the Requesters and adjusted it based on their comments. Parties also agreed to abide by respectful behaviours during the implementation period. In that meeting, the Parties signed the Problem

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Solving Agreement, which is confidential as per the Parties' request. After the signing of the Agreement, the Case 2023/02 was transferred to the Problem-Solving Monitoring stage for IPAM to monitor its implementation.

3. PROBLEM SOLVING MONITORING

As per paragraph 2.5 a) of the Project Accountability Policy, IPAM will monitor the implementation of any agreements reached by Parties through Problem Solving and will determine their completion when they fulfil the following criteria:

i. The commitments made by the Parties in such agreements are being effectively carried out; andii. Implementation timetables are being met.

Regarding the monitoring approach, the Project Accountability Policy specifies that in its monitoring activities, IPAM will:

- Consult with the Requesters, the Client, Bank management and other relevant stakeholders.
- Consider Project documentation, documentation submitted by the Requesters (or their Representatives, if any), the Client and publicly available information.
- Undertake a site visit to the Project area, if deemed necessary by IPAM; and
- Engage consultants on specific technical matters, if deemed necessary by IPAM.

IPAM will issue bi-annual Monitoring Reports to describe on-going monitoring activities and to provide updates on the status of each Problem-Solving agreement implementation, until IPAM determines that full implementation has been reached.

3.1. MONITORING ACTIVITIES

This is the third Monitoring Report which covers the period from August 2024 to January 2025. During this monitoring period IPAM undertook the following activities:

- Engagement with the Parties in virtual meetings and via email to seek inputs on progress made in the implementation of the Problem-Solving Agreement: (meeting with Requesters on 24 October 2024; meeting with Client on 1 August 2024 and 14 October 2024; written updates from the Client during August 2024 and December 2024 and updates to Requesters in August 2024 and December 2024).
- Review of documents; and
- Informational leaflet for Requesters to update them on progress and delays in implementation distributed in January 2025.

Photos of ancillary road under construction in Berxull, December 2024. Source: Albanian Railways





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Photos of property subject to expropriation in Berxull, December 2024. Source: Albanian Railways



3.2. STATUS OF AGREEMENT IMPLEMENTATION

During this period, a new underpass has been built near the mosque for small vehicles and pedestrians and is currently fully operational. In addition, the ancillary road for heavy vehicles is under construction and is expected to be asphalted in spring-summer, subject to weather conditions. In the meantime, as per the Client's commitment, the existing level crossing near the mosque remains open until the ancillary road is going to be fully operational.

Some private land needed to be expropriated for the ancillary road construction. The Client engaged with the two affected landowners who agreed to allow for part of their land to be expropriated for the ancillary road construction. The expropriation process is being led by the Albanian Railways with the support of Vora Municipality in line with the EBRD requirements. This process involves several administrative steps needed to meet national requirements and EBRD environmental and social standards. A decision on expropriation is expected to be issued by the Albanian Council of Ministers. The Albanian Railways explained that once the decision is issued, the two affected owners will be compensated for Project impacts.

The Albanian Railways assured IPAM that an existing underpass near a local hotel will continue accommodating small vehicles and pedestrians once the railway is operational.

IPAM kept Requesters informed on the status of the Agreement implementation through virtual engagement. In addition, a third informational leaflet was produced and distributed to community members in January 2025 notifying them of the progress achieved, explaining the delays and steps to be followed in the process. The community received copies of it thanks to the assistance of the Requesters' Representative.

The Berxull community were appreciative of the information provided and expressed their understanding for the need to follow the due process and committed to continue engaging with the Albanian Railways and their Contractor to avoid future conflicts amongst residents in the area.

Despite some delays and challenges faced, the Client is aiming to complete all the agreed actions towards the summer. IPAM appreciates the Parties' flexibility and openness in working together towards the implementation of the solution and wants to thank everyone for their collaborate approach.

4. CONCLUSION

During the fourth monitoring period (August 2024 - January 2025) a new underpass has been built near the mosque for small vehicles and pedestrians and is fully operational. In addition, the ancillary road for heavy vehicles is under construction and is expected to be asphalted in spring-summer, subject to weather conditions. In the meantime, the existing level crossing near the mosque remains open until the ancillary road is fully operational.

Some land needed to be expropriated for the ancillary road construction and that was done by the Albanian Railways following the EBRD requirements. A decision on expropriation follows to be issued by the Albanian Council of Ministers in the coming months. Following that, affected owners will be compensated accordingly. Despite some delays and challenges faced, the Client is aiming to complete all the agreed actions towards the summer.

This report will be disclosed in the IPAM case registry under web file <u>Case 2023/02</u> in both English and Albanian, after submitting it to the EBRD Board of Directors and the President for information. The fourth Problem Solving Monitoring Report will cover the period February - July 2025 and is expected to be issued in August 2025.