



Independent
Project
Accountability
Mechanism

Assessment Report

Albanian Railways (Request #2)

EBRD Project Number 48466

Case 2025/02

April 2025

The **Independent Project Accountability Mechanism (IPAM)** is the project grievance mechanism of the EBRD. It reviews environmental, social, and Project disclosure-related concerns raised by Project-affected people and civil society organisations. IPAM can address concerns through two avenues: i) Problem-solving, which supports dialogue between Requesters and Clients without attributing blame or fault; or ii) Compliance, which determined whether the EBRD has complied with its Environmental and Social Policy and Access to Information Policy in relation to the Project.

For information about IPAM, please contact us at ipam@ebrd.com or visit the [IPAM webpage](#).

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

Acknowledgements

The Independent Project Accountability Mechanism (IPAM) would like to thank the Requesters, EBRD Management and the Client for their support, clarifications, and cooperation during the Assessment stage and in the preparation of this report.

List of Abbreviations

Abbreviation	Long Form
AIP	the EBRD's Access to Information Policy in force at the time of Project approval
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 IPAM Webpage
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 Bank)	(or the European Bank for Reconstruction and Development
ESDD	Environmental and Social Due Diligence
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
LARP	Land Acquisition and Resettlement Plan
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	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.
PSD	Project Summary Document
President	the President of the EBRD

Executive Summary

The Request¹

On 13 November 2024 the [Independent Project Accountability Mechanism](#) (IPAM) received a [Request](#) from two businesses located in Domje, Albania regarding the Albanian Railways (OP ID 48466) Project which is funded by the EBRD. According to them, the Client has informed them of the need to expropriate part of their land for the construction of an ancillary road parallel to the railway to ensure access to the main road for a cluster of houses, once the Project is completed. The Requesters allege that the expropriation would affect their operation and would lead to loss of income. In their view, there are other alternative alignments that should have been considered which would not adversely impact their businesses. They are asking IPAM to intervene under a Problem Solving exercise whereby other alternative routes could be assessed and to ensure a transparent decision-making process.

The Project²

The [Albanian Railways Project \(48466\)](#) is a sovereign loan of up to EUR 77.57 million³ to the Republic of Albania for the benefit of the Albanian Railways which is responsible for the railway infrastructure and trains operation. The loan is financing the rehabilitation and upgrade of 34.7 km railway line between the Tirana Public Transport Terminal and the city of Durres and the construction of a 5.4 km railway line between the Tirana Public Transport Terminal and the Tirana International Airport. and the construction of a new railway link of approximately 5 km to connect the existing Tirana-Durres rail line with the Tirana International Airport.

According to the [Project Summary Document](#) (PSD), community safety issues currently include the use of unauthorised level crossings with at least 15 already identified during Environmental and Social Due Diligence (ESDD) as present along the existing track. Access arrangements for pedestrians and vehicles would be considered during design finalisation especially as the upgraded and new line will be fenced to ensure public safety. The Project was approved on 30 November 2016 and classified as category B under the Bank's 2014 Environmental and Social Policy. When the Request was submitted the Project was in the implementation stage.

IPAM Process

The Request was registered by IPAM on 6 February 2025 under [Case 2025/02 Albanian Railways \(Request # 2\)](#), initiating the Assessment stage. IPAM engaged virtually with Parties and conducted a site visit to Albania from 17-19 February 2025 to meet in person with Requesters, the Client, the EBRD local Project team. This visit allowed IPAM to see the two businesses that filed the Request in operation and understand more clearly the operational impacts that expropriation would have on each and which have not been assessed to date by the Client. It also was able to see that there might be alternative alignment options for an ancillary road proposed by the Client to address the access limitation that the Project is generating in a number of households that used the cross-level crossings that are to be eliminated with the Project for safety and operational reasons.

An IPAM problem solving initiative, along with the undertaking of technical assessments, can provide a space for reflection and analysis to identify an access solution to the households while avoiding and/or minimising the adverse impacts to the community in general.

¹ The Request is available [here](#)

² EBRD's Project Summary Document is available [here](#)

³ In 2024 the Bank approved an increase in the loan by up to EUR 40.7 million of the existing loan of 30.78 million euros.

Conclusion and Next Steps

Based on the activities undertaken during the Assessment stage, IPAM determined that the **Case will proceed to Problem Solving, as all relevant Parties** (the Requesters, Client, and Bank Management) expressed their willingness to engage in IPAM's Problem Solving function to address the concerns of the Requesters.

Given these findings, this Report includes preliminary Terms of Reference for Problem Solving whereby the proposed scope, methods to be used, the timeframe and the type of expertise required are presented. This Assessment Report is circulated to the Parties and disclosed in the virtual case file for [Case 2025/02 Albanian Railways \(Request # 2\)](#) in both English and Albanian after its submission to the Board and the President for information. The Assessment Report will be disclosed in the Case Registry in www.ebrd.com . After that, the Case will be transferred to the Problem Solving stage.

1. The Case and processing to date

1.1. The Request⁴

On 13 November 2024 the [Independent Project Accountability Mechanism](#) (IPAM) received a [Request](#) from the owners of two businesses located in Domje, Albania related to the [Albanian Railways Project \(48466\)](#), which is funded by the EBRD. According to them, the Client has informed them of the need to expropriate part of their land for the construction of an ancillary road parallel to the railway to ensure access to the main road for a cluster of houses, once the Project is completed.

The Requesters allege that the expropriation would affect their operation and would lead to loss of income. In their view, there are other alternative alignments that should have been considered which would not adversely impact their businesses. They are asking IPAM to intervene under a Problem Solving exercise whereby other alternative routes could be assessed and to ensure a transparent decision-making process.

The issues raised in the Request, are summarised below in **Table 1** and appear to be linked to obligations set in the 2014 Environmental and Social Policy under Performance Requirements (PRs) 1, 5 and 10.

Table 1. Issues raised in the request and related performance requirements.

Issues raised	Allegations	Related PRs
No alternative alignment analysis	<ul style="list-style-type: none"> The Albanian Railways didn't undertake a detailed alternative analysis of options for the ancillary road alignment. There are other route options with lesser impacts to the area and lower costs. 	PR1
Asset damage/loss Economic displacement	<ul style="list-style-type: none"> Significant costs expected due to expropriation, infrastructure repair, and functional damage to businesses. The planned ancillary road alignment will affect business operations, lead to loss of income and legal consequences for the owners who would not be able to honor contractual agreements. 	PR 1 PR 5
Inadequate alternative analysis for the ancillary road	<ul style="list-style-type: none"> The Albanian Railways didn't undertake a detailed alternative analysis of options for the ancillary road alignment. The second option for the ancillary road alignment would affect less private property and would be less costly. 	PR1
Stakeholder Engagement and Information Disclosure	<ul style="list-style-type: none"> Lack of clarity regarding the decision-making process. No consultation with affected community members on route options. Failure to disclose information regarding alternative routes. 	PR 1 PR 10

1.2. The Project⁵

The [Albanian Railways Project \(48466\)](#) is a sovereign loan of up to EUR 77.57 million⁶ to the Republic of Albania for the benefit of the Albanian Railways which is responsible for the railway infrastructure and trains operation. The loan is financing the rehabilitation and upgrade of 34.7 km railway line between the Tirana Public Transport Terminal and the city of Durrës and the construction of a 5.4 km railway line between the Tirana Public Transport Terminal and the Tirana International Airport. and the construction of a new railway link of approximately 5 km to connect the existing Tirana-Durrës rail line with the Tirana International Airport.

⁴ The Request is available in the case summary at: [Case 2025/02 Albanian Railways \(Request # 2\)](#)

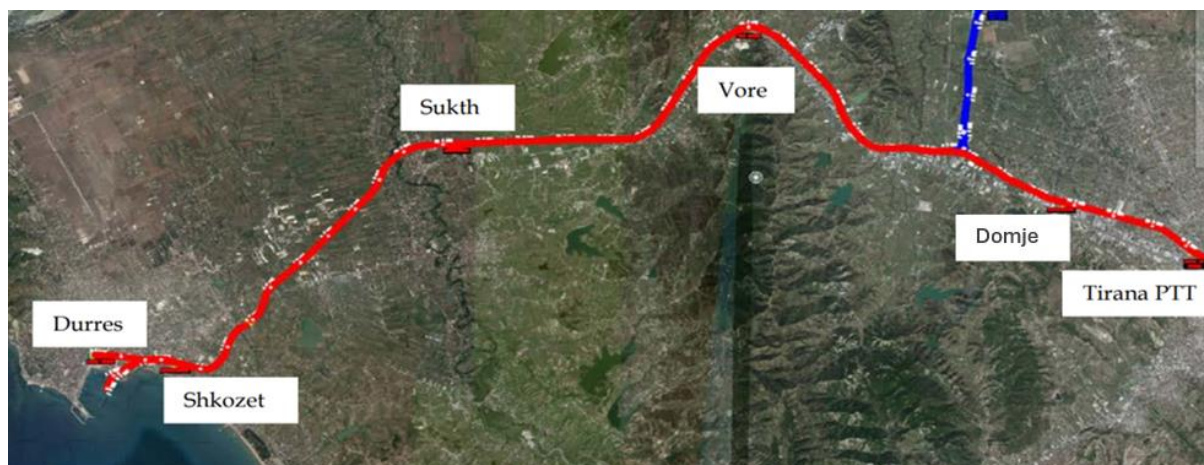
⁵ The information is sourced from the EBRD's Project Summary Document available [here](#) and the Non-Technical Summary available [here](#)

⁶ In 2024 the Bank approved an increase in the loan by up to EUR 40.7 million of the existing loan of 30.78 million euros.

According to the [Project Summary Document](#) (PSD), community safety issues currently include the use of unauthorised level crossings with at least 15 already identified during Environmental and Social Due Diligence (ESDD) as present along the existing track. Access arrangements for pedestrians and vehicles would be considered during design finalisation especially as the upgraded and new line will be fenced to ensure public safety.

The Project was approved on 30 November 2016 and classified as category B under the Bank's 2014 Environmental and Social Policy. When the Request was submitted the Project was in the implementation stage.

Figure1. Tirana - Durres Railway line to be rehabilitated (red line)



Source: Land Acquisition Framework for the Albanian Railways Project

1.3. Processing to Date

The Request was registered by IPAM on 6 February 2025⁷ under [Case 2025/02 Albanian Railways \(Request #2\)](#) as it met the criteria for Registration established in Section 2.2 (b) of the PAP, and none of the exclusions set in Section 2.2 (c) of the PAP applied at that stage. The registration of a Request is an administrative step⁸ establishing that the following criteria have been met:

- all mandatory information has been provided.
- issues raised relate to specific obligations of the Bank under the Environmental and Social Policy (ESP) and/or the project-specific provisions of the Access to Information Policy (AIP);
- it relates to a Project that the Bank has approved; and
- the Request submitted is related to an active project or is submitted within 24 months of the date in which the Bank has ceased to have a financial interest in the project.

Immediately after registration, the Request was transferred to the **Assessment Stage**, which has a standard duration of 40 business days, as established in para. 2.3 of the 2019 Project Accountability Policy (PAP), to:

- develop a clear understanding of the issues raised in the Request.
- discuss the Problem Solving and Compliance functions with the Parties, their scope, and outcomes.
- assess the Parties' willingness to engage in each function.
- consider the updated status of other grievance resolution efforts, if applicable; and

⁷ The registration stage lasted longer than usual as more detailed information on the issues raised was needed to allow for a determination.

⁸ Registration of a Request does not involve a judgement on the merits, truthfulness, or correctness of its content. Nor does it have the effect of suspending the Bank's interest in a Project.

- make a final determination with three alternative outcomes:
 - the Case could proceed to Problem Solving, based on the agreement of the Requesters and the Client; or
 - the Case would be transferred to Compliance Assessment if no agreement to pursue Problem Solving is reached and the Requesters would have expressly asked for this; or
 - the Case would be closed.

For Case 2025/02, the Assessment was initiated at the beginning of February 2025 and was finalised in April 2025.

In line with the approach established in the PAP (see section 2.3 of the PAP), the IPAM team undertook the following activities during the Assessment stage:

- revision of relevant Project documents.
- virtual meetings with the Bank team responsible for the Project, representatives of the Client and the Requesters; and
- site visit to Albania on 17 to 19 February 2025.

In addition, it requested a formal Management Response which was sent to IPAM on 24 February 2025.

2. Background

On February 4, 2022, Grievance No. 1 was registered by residents of approximately 15 homes in the Domje area. Their complaint centred around the completion of the railway project, which would deny them access to their properties. Historically, these residents accessed their homes informally by crossing the existing railway track, through 4-5 level crossings (marked in figure 2). However, the planned construction works, as per the approved design, would close off this access without providing an alternative route.



Figure 2. Affected households.

In response to the residents' petition, signed by 25 people, a joint site visit involving the Contractor, Engineer, Employer, and EBRD was organized on February 23, 2022, with the aim of evaluating potential alternatives to address the complaint.

A technical proposal was prepared as follows:

- Construction of a parallel road: Approximately 850 meters in length, running on the right side of the railway Project, connecting all properties to the existing local road at Ch. 28+350.

- Construction of a retaining wall, instead of a normal embankment as originally anticipated in the approved design, this retaining wall aims to minimize land expropriation.

The solution to this grievance has led to the need to expropriate some of the land occupied by the two businesses that have raised a complaint with IPAM in November 2024.

3. Assessment activities and Parties' perspectives

3.1. IPAM assessment activities

This section provides the views of the Requesters, the Client, Bank management as captured by IPAM during virtual and in-person meetings from November 2024 when the Request was received and the date of completion of this report, as well as the information gathered by the IPAM team during the site visit undertaken in February 2025.

The IPAM team visited the Project site during 17-19 February 2025 to engage in-person with the relevant Parties. IPAM met in Tirana with officials from Albanian Railways responsible for the Project to gather information on the proposed road and the engagement with the community including the owners of the businesses. It also visited the Project site and met with the Requesters who showed IPAM the area that would be subject to expropriation and how it would impact their operation. In addition, IPAM met with the head of the Bank's resident office in Tirana and the Project operation leader. The images⁹ below show the business operations in the area at the time of the visit.

Table 2. Project and Case Timeline

Year/Month	Activity
2016	
30-Nov	Project approved as category B under the 2014 ESP
2018	
28-Jul	Environmental and Social Assessment Report for the Domje Triangular Railway Intersection issued
2022	
04-Feb	Grievance from Domje residents received by Albanian Railways
23-Feb	Walkthrough by Client, EBRD and contract to assess the solution.
2023	
03-Apr	New grievance received by contractor and Client opposing solution
16-May	Contractor submits technical proposal to Albanian Railways
2024	
26-Jun	Albanian Railways approves proposed solution
08-Jul	Contractor submits final technical proposal for additional work at Domje area
16-Jul	Engineer approves technical proposal
10-Oct	Requesters send complaint to Client and EBRD Resident Office
15-Oct	Project-affected households send the Client a petition to implement the access road solution proposed
06-Nov	EBRD acknowledges receipt of Request
11-15 Nov	Management's site visit
13-Nov	IPAM receives request from the two affected businesses
13-Dec	Albanian Railways response to the Requesters

⁹ All photographs in this section were taken by IPAM during the site visit during 17-19 February 2025.

Year/Month	Activity
2025	
06-Feb	IPAM registers Request
17-19 Feb	IPAM site visit during Assessment
24-Feb	Management response is submitted to IPAM

Source: IPAM

3.2. Parties Perspectives

The Parties have been consulted on the following sections capturing their views to ensure that they are reflected accurately.

3.2.1. Requesters

The Requesters allege harm on their businesses due to the anticipated construction of an access road parallel with the railway under rehabilitation with EBRD funding. They shared that for the access road to be built in the location proposed by the Client, part of their land would be expropriated. The expropriation would impact the operation of the two businesses in differentiated way as follows:

Business 1. The Requesters have constructed an industrial warehouse as a key in hand facility leased to a German auto-part company operating in Albania. The factory operates with 930 employees in three shifts. The industrial warehouse and loading facility was built in 2021 according to the specifications of the lessee.

Requesters acknowledged that they have slightly encroached public space by building a fence around the building beyond the construction permit boundaries. In conversations with IPAM, they have mentioned they would be amenable to relocating the fence. However, the Requesters commented that the reduction of the manoeuvring area would have an impact in the loading and unloading of the produced parts. This was confirmed during the IPAM visit by a representative of the auto-part company who expressed that the trucks manoeuvre patio would be affected, and they would not be able to use one loading bay as the trucks would not be able to access it.

The Requesters also mentioned to IPAM that when they were notified by the Client of the road being built, they had been considering building a new facility in the land plot adjacent to the current facility to allow for expansion of the operation. However, these plans have been suspended until this matter is resolved.

Business 1. Industrial warehouse



Fence

Loading area



Business 2. The second business impacted by the proposed road alignment is an eco-farm engaged in oil production, livestock farming, and organic dairy production (milk, yogurt, and cheese). Requesters indicated that they house around 850 animals (cows, goats, and sheep) and are planning to increase their livestock in the next few months. For this purpose, they have expanded the facilities for which they received grant funding.

According to them if the proposed expropriation takes place, the impacts on the eco-farm would be significant as there would be a need to dismantle a vertically integrated business that is operating at capacity. In particular, the barns that accommodate the livestock would have to be dismantled as the animals would be directly facing the road.

Other sections of the farm would also need to be dismantled as they are currently located in the corridor where the road would be constructed (the manure processing machine and the storage silo of 1,000 tonnes).

Requesters also raised concerns regarding animal welfare and potential impacts on the milk production due to anticipated noise, dust and vibration coming from the ancillary road. Requesters further raise socio-economic impacts on their business and concerns in meeting their customers' demands for high quality organic dairy products. Additionally, they consider that having a road next to the farm would cause risks of car accidents potentially involving pedestrians and/or animals.

In relation to avoidance of the expropriation, Requesters consider that the Client has not provided a robust and convincing rationale why the selected alternative for the road construction is the best. Therefore, they are sceptical that this is the only option.

Requesters further indicated that they are aware of another access alternative, which would require only extending an existing road. They indicated that a permit had been issued ten years ago to extend the road in question, but the construction did not go ahead at the time. They consider that this option is cheaper and would avoid the impacts of the current road selection.

Finally, Requesters indicated their interest for IPAM to facilitate the engagement with the Client under a Problem Solving process. They hope that the Client will accept engaging with them so that the most suitable technical solution for the entire community could be implemented in a timely manner.

Business 2. Organic farm

The corridor between the railway wall and the farm structures is where the proposed road would be located



Use of corridor by farm operations



Food stored in the silage – capacity 1000t, to be impacted by expropriation



Farm expansion under construction, area also to be impacted by expropriation



Barn with 500 cows



Barn with 300 sheep



Barn with 300 goats



Manure processing machine located in the corridor to be used for access road



Robotic milking parlour



Piping system transporting milk to the cheese factory



Cheese production



Yoghurt production



3.2.2. Client

The Client explained that the Albanian Railways is implementing the first development project in the railway sector in Albania. They extended their appreciation to the EBRD for its support in rehabilitating the existing railway from Tirana to Durres and the construction of a new railway section to the airport.

The Client shared that once the railway is rehabilitated, high-speed trains will be in operation and for security reasons, the railway will be fenced on both sides. Considering this, several informal level crossings in Domje are going to be closed. When informed of the closure, 11 households located by the railway alignment sent a petition to Albanian Railways asking the company to build a road to allow them to access the main road and remain connected with the rest of the community.

The Client explained that to address the issue, they proposed the construction of an ancillary road parallel to the railway alignment. They also shared that they had identified that the two businesses located adjacent to the railway alignment would be asked to give up part of their land and potentially restructure their business operations. The Client considered that the businesses have slightly encroached the public land boundaries and haven't fully respected the railway buffer zone.

Further, the Client shared that they were in the process of verifying the legal boundaries, as well as assessing anticipated impacts. In addition, Albanian Railways explained that to minimize impacts they had revised the initial road design, replacing the railway track embankment with a retaining wall.

The Client expressed that they are ready to compensate the affected businesses in line with EBRD environmental and social requirements through an expropriation process to be approved by the Council of Ministries and the State Expropriation Agency of Albania.

It is the consideration of the Client that any solution proposed under Problem Solving should consider the needs and interests of both the households and the businesses. The Client also shared that they have been engaging with the larger community in Domje, including the two affected business for several years and informed them of their plans to build an ancillary road to provide access to the 11 households.

The Client confirmed that the two businesses are proposing another alternative for the access road being built on the top of a water channel. It is the consideration of the Client that it is technically challenging to build the road there. They consider that this option would require special permits as well as expropriation of private land that could further delay Project activities. In addition, the Client shared that the municipality's development plan includes an access road parallel with the railway to

provide access to the community while respecting the railway alignment and they would prefer to stick to it.

The Client highlighted the urgency of the situation as they work under tight deadlines imposed by the construction contract, Central Government and the EBRD. They also explained that have mobilized the construction company which is already on site and ready to build the ancillary road. However, due to the ongoing dispute, the works related to the access road are currently stopped to allow time for gathering information and engaging with affected community members, assessing impacts before proceeding with any further actions.

Finally, the Client stated that they are determined to resolve the community concerns as quickly as possible and accepted to engage with Requesters in an IPAM lead Problem Solving initiative to find the best solution for the entire community. The Client also committed to keep the current informal level crossing in Domje open until the access road is built and operational.

3.2.3. EBRD Management

IPAM requested a formal Management Response to this request on 6 February 2025 and received it on 24 February 2025. In addition to this, IPAM has met with Management virtually after IPAM's site visit to explore the feasibility of a Problem Solving initiative to address the concerns raised.

The summary below is based on Bank management's written response as well as the information gathered by IPAM during meetings and the information exchanged via email.

Bank management explained that a project implementation unit has been established by the Client to manage and oversee the implementation of the Project. The Bank is supporting the Project with several technical cooperation assignments, including engineer services, environmental, social and health and safety specialists who are supervising the construction works.

Bank management shared that the Project construction progress to date is approximately 72% of the contract amount. They also mentioned that during the Project implementation, there has been some design improvements, mainly to provide better access where the original design omitted such features or where local infrastructure managed by the local authorities was not adequate for the needs of the impacted communities.

Bank management mentioned that on 15 October 2024 a few residents from Domje sent a petition asking the Albanian Railways to build an access road to their houses, parallel with the railway as they learned that would not be able to continue using the informal crossing over the railway due to railway rehabilitation and fencing.

On the 6th of November 2024, the EBRD received a complaint from owners of two businesses in Domje expressing their concerns and dissatisfaction with proposed access road parallel with the railway and alleging anticipated impacts on their businesses.

During 11-15 November 2024 Bank management conducted a site visit to the Project location to assess the situation on the ground, meet the Requesters and the residents that requested an access road. Bank management further shared that the two businesses do not require access as they have their own individual approaches, but approximately 11 houses are currently cut off and need access to their houses by cars and by foot.

Bank management shared that due to disagreement amongst the residents and the two businesses regarding the best option for an access road, the Client has considered another alternative but dismissed it as that would also require additional land acquisition and would be technically challenging as could potentially cause disruption to the local drainage system and would be outside the Project footprint.

Bank management further shared that the preferred access road solution was also originally envisaged and planned by the local municipality but delayed due to funding constraints. Moreover, the Client has minimised land take impact and reduced the footprint of the railway passing this location trying to avoid impact on the businesses by replacing a slope with the vertical reinforced retaining wall.

Bank management confirmed that the proposed access road parallel with the railways could create potential constraints on the business, but additional checks would be necessary to establish the extent of the access road footprint overlapping with the business's legal boundaries before any assessment of eligibility for compensation could take place.

Bank management further stated that one business constructed their facility on formally owned land and permitted development, but deviated from the approved construction design and footprint as they built a concrete wall outside the scope of the construction permit and should not have been built it as the municipality were planning to construct an access road there.

Bank management added that due to the need to create an access road for the 11 households and to maintain the railway track, the Project would require additional land acquisition by reclaiming areas within the legitimate safety buffer zone of the railway alignment. This could potentially overlap with parts of the private properties owned by the two businesses that managed to legalise and obtain land ownership inside the railway buffer zone.

Bank management further indicated that the farm would potentially require more land to be acquired through expropriation or through shifting the farm boundaries to the right place (in case there was an encroachment). This would require that appropriate assessment and compensation to be established in line with Project Land Acquisition and Resettlement Plan and based on eligibility criteria, vulnerability, and the Project cut-off date.

Bank management shared with IPAM that they have made the following recommendations to the Client - to conduct a site-based demarcation and verification of ownership boundaries and compare against the footprint of the proposed access road so that exact land needs are established. They also recommended that impacts on the two businesses are verified against the Project Land Acquisition and Resettlement Plan, cut off dates, eligibility, national legislation and EBRD environmental and social requirements. In addition, they recommended that the Client clarify safety/buffer zone requirements to the affected stakeholders and municipality to ensure there is no future encroachment.

Finally, Bank management expressed their full support and commitment to collaborate closely with IPAM during the Problem Solving initiative for a successful resolution of the concerns raised. They agreed that there is a need to further explore the viability of the proposed access road and all other alternatives accompanied by transparent consultation process with all impacted stakeholders (the two businesses, the 11 households and the local administration).

4. Assessment Determination

Based on the Assessment activities undertaken in relation to Case 2025/02, IPAM confirmed the following facts:

- IPAM was able to confirm that both businesses are currently in operation and thriving. Should the expropriation proposed take place, the impacts on the farm appear to be greater as there would be a need to relocate a vertically integrated business. However, the factory impacts on the business are also relevant due to lease agreements with leaseholder and the expansion requested by the latter to allow for a larger production footprint in Albania.

- Both businesses have presented legal documentation to IPAM related to their operation and land footprint. It is, however, clear that the right of way has been encroached upon.
- The Requesters have proposed other options for access, that would have to be thoroughly reviewed.
- In relation to avoidance of the expropriation, the Client has not provided a solid consistent rationale of why the selected access alternative is the only option, or the best option. In addition, no assessment of the economic displacement impacts to the two businesses has been undertaken.
- The Client has sought to address the access limitations of the households and provide solutions.
- Both Parties are amenable to a Problem-Solving initiative, with the Client specifying that any solution discussed should consider the households as well.
- The Client has committed to maintain the level crossings open until a solution to access is provided.
- Bank Management have expressed their support for a Problem Solving initiative and to the next steps proposed by IPAM.

Based on this, IPAM made the following determinations regarding the [Case 2025/02 Albanian Railways \(Request # 2\)](#) process:

- After an in-depth analysis of the concerns raised, IPAM determined that the Request meets the Registration criteria.
- IPAM considers that a Problem Solving Initiative is feasible and can effectively assist in addressing the concerns of the Requesters and the 11 households located in the area. This is based on the confirmation received by IPAM from the Requesters, the Client and the EBRD management of their willingness to engage in a Problem Solving initiative.
- IPAM has offered to Requesters and the Client to serve as a third-party independent facilitator to support the Parties during the period of implementation of the proposed solution, and the Parties have accepted.

5. Conclusion and Next Steps

Based on the activities undertaken during the Assessment stage, IPAM determined that Case will proceed to Problem Solving.

As required by the Project Accountability Policy, this Assessment Report includes preliminary Terms of Reference for Problem Solving whereby the proposed scope, methods, the timeframe, the type of expertise required are presented.

IPAM wishes to thank the Requesters, the Client, Bank management and the other stakeholders for their time and inputs provided during the Assessment stage.

This Assessment Report is circulated to the Parties and disclosed in the virtual case file for [Case 2025/02 Albanian Railways \(Request # 2\)](#) in both English and Albanian, after its submission to the Board and the President for information. After that, the Case will be transferred to the Problem Solving stage.

Annex 1. Problem Solving Terms of Reference

I. About the IPAM Problem Solving Process

The 2019 Project Accountability Policy in section 2.4 includes provisions that guide IPAM in Problem Solving.

a. Objective

The purpose of Problem Solving is to:

- i. Facilitate dialogue between the Parties.
- ii. Pursue resolutions acceptable to all Parties, which resolve the issues raised in the Request; and
- iii. Facilitate the conclusion of agreements between the Parties.

b. Guiding Principles

The Problem Solving initiatives led by IPAM are based on the following guiding principles:

Co-design: the design of Problem Solving processes should be based on the methods, format and preferences of the Parties.

Good Faith: the success of Problem Solving processes requires that all Parties are willing to participate in good faith, effectively seeking to find mutually agreeable solutions.

Rules-based: Problem Solving processes require that the Parties define from the start the ground rules that will guide the process and that they commit to abiding by them.

Voluntary Nature: The Parties have the right to enter, as well as withdraw from a Problem Solving process.

c. Duration

The Problem Solving initiatives may vary in duration, according to the nature, complexity, and scope of the issues and other factors such as Parties' engagement and decisions throughout the initiative. However, it is expected to be completed within one year of the Parties' agreement to pursue it, unless IPAM and the Parties agree to extend it.

d. Approach

Consistent with the objective of promoting the resolution of issues between the Parties, IPAM will take into account all circumstances of the case with a view to identifying the most appropriate approach to Problem Solving. IPAM will not support agreements that would be contrary to EBRD policies or in breach of any applicable law.

II. Objective of Problem Solving for Case 2025/02

The objective of the Problem Solving for Case 2025/02 is to facilitate a process that will address the concerns raised by the Requesters and assist the Parties in a joint exploration of road alignment options to resolve the access limitation that some Domje households are facing due to the Project.

III. Proposed approach

Based on the conversations held with the Requesters, the Client, and Bank Management, IPAM is proposing to facilitate a dialogue between the Parties based on the findings of an alternative road alignment analysis to be commissioned to external technical experts.

IV. Proposed Methodology and Technical Support Activities

IPAM is proposing the following process:

1. Commission an external technical assessment of the road alignment options that considers the needs of all those currently impacted by the Project (Requesters and households)
2. Based on the results of the assessment, IPAM would engage a conflict-resolution expert to facilitate a dialogue process between the Parties.
3. Within the dialogue process, other experts might be needed to assess the impacts and make recommendations on mitigation/compensation.

In addition, there are a number of procedural steps to be agreed with the Parties that will guide the Problem Solving initiative:

1. Parties will have to agree on ground rules to ensure good will, respect and commitment to the process and its outcomes.
2. Each Party will designate up to three representatives that can dedicate time to the process and have authority to make decisions.
3. IPAM directly or through the conflict resolution expert, will maintain continuous communication with all Parties to avoid information gaps. The frequency and format will be determined by the Parties and documented in the ground rules.

V. Resources Required

In addition to the IPAM Problem Solving team, IPAM envisions that the Problem Solving will require the following resources:

Human Resources

1. One or two conflict resolution experts. IPAM will draft terms of reference, identify potential candidates, and select the ones that best fit the needs of the process. (cost covered by IPAM)
2. Interpreters and translators (cost covered by IPAM)
3. International technical expert to undertake the alternative road alignment analysis. (pending)

Site visits

IPAM will travel to Domje as often as needed to participate in the Problem Solving activities.

VI. Problem Solving Timeframe

A preliminary schedule of the main milestones and deliverables is presented below and may vary depending on the timeframes set for studies, the availability of Parties and other external factors beyond the control of IPAM.

Table.1 Tentative schedule

Activity	Estimated timeframe ¹⁰
Identification, selection and hiring of conflict resolution expert(s)	May 2025
Identification of Representatives, agreeing on the Ground Rules for the Problem Solving; engagement format, specific activities and timeframe.	May 2025
Conduct a technical analysis of alternatives	May - June 2025
Setting up of dialogue sessions based on findings to facilitate agreement	September – October 2025
Commission any other studies as necessary, depending on the alternative analysis findings	September - October 2025
Dialogue sessions – ongoing until agreement is reached, or process is terminated	September- April 2026
12-month timeframe limit	May 2026

Extensions

Problem Solving is expected to be completed within one (1) year of the Parties' agreement to pursue; however, the duration of the process may be extended by the agreement of the Parties and IPAM.

¹⁰ The Problem Solving schedule is decided jointly by the Requesters, the Client and other Parties to the initiative.