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International Bank for Reconstruction and Development
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**Final Progress Report on the
Implementation of the Management Action Plan in Response to the
Inspection Panel Investigation Report**

ALBANIA
INTEGRATED COASTAL ZONE MANAGEMENT AND CLEAN-UP PROJECT
(IDA Credit No. 4083-ALB)

January 30, 2023

Albania: Integrated Coastal Zone Management and Clean-Up Project
Final Progress Report on Implementation of the Management Action Plan in Response to the
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I. INTRODUCTION

1. The Albania Integrated Coastal Zone Management and Clean-Up Project (the “Project”) was approved by the Board of Executive Directors on June 21, 2005. On November 1, 2007, the Board of Executive Directors of the World Bank authorized an Inspection Panel investigation of the Project relating to a Request concerning demolition of fifteen buildings owned by nine families in the community of Jale, Albania in April 2007. Management’s Response to the Inspection Panel’s Investigation Report identified issues of non-compliance arising from project preparation and implementation and proposed an Action Plan to address these issues. This Action Plan was discussed and approved by the Board on February 17, 2009. The Project closed on March 31, 2015.

2. One of the actions approved by the Board was to support nine families affected by the demolitions in Jale. This support was to take the form of legal support for the case-by-case review in Albanian courts of the families’ assertions that the demolitions were not legal and that their losses should be compensated by the government. An independent observer would be hired to report to the Bank on the transparency, credibility, independence, and timeliness of the review process.¹

3. Management delivered four Progress Reports to the Board on the Implementation of the Management Action Plan: on July 1, 2009; February 26, 2010; February 16, 2011; and January 13, 2012, respectively. In the fourth, Management reported that while all other Management actions had been completed, the above-mentioned independently monitored case-by-case judicial review was still ongoing. Management committed to continue monitoring the progress of the nine lawsuits filed by the Requesters, and to report back to the Board upon completion of the District Court, Court of Appeals or Supreme Court processes. These processes concluded in November 2022, with the Court of Appeals decision on the last outstanding case, as described below. This is therefore the final Progress Report.

II. SUMMARY OF PROGRESS SINCE THE FOURTH PROGRESS REPORT

4. In November 2022, the last of the nine cases concluded. The process and outcomes of the nine cases are summarized in the following table (the names of the families have been omitted for privacy purposes). Management has ascertained that no further appeals are being pursued, and hence considers the process concluded for all cases.

¹ A Letter of Agreement confirming the Government of Albania’s assent to an independently monitored case-by-case judicial review was signed by the Minister of Finance on April 16, 2009. The Agreement affirmed the Government’s consent to the World Bank retaining an Independent Observer to report on a confidential basis to the Bank. The Government also committed to making good faith efforts to help ensure that the process was expeditious, while respecting the independence of the judiciary.

Family	First Instance Court	Court of Appeals	Supreme Court	Outcome
1	May 2011: Lawsuit dismissed by District Court.	April 2012: District Court ruling upheld.	January 2016: Court of Appeals ruling upheld.	Family's lawsuit unsuccessful.
2	May 2011: Lawsuit dismissed by District Court.	June 2012: District Court decision reversed. Appealed by Government to the Supreme Court. December 2017: Family's claim partially upheld and damages awarded. Appealed by the Government to the Supreme Court.	February 2015: Case sent for re-examination in the Administrative Court of Appeals. April 2018: Government's appeal dismissed.	Family's lawsuit partially successful, with compensation by the Government awarded.
3	December 2012: Lawsuit dismissed by District Court.	November 2013: District Court ruling upheld. January 2019: After re-examination, the original decision of the District Court was upheld. Decision has not been appealed to the Supreme Court.	September 2016: Court of Appeals decision overturned. Case sent for re-examination in the Administrative Court of Appeals.	Family's lawsuit unsuccessful.
4	November 2010: Lawsuit dismissed by District Court due to failure of the representative of the Family to appear at the hearing. July 2015: Upon re-examination, lawsuit again dismissed, this time by the newly established Administrative Court.	September 2011: Dismissal by the District Court overturned. District Court ordered to re-open the examination of the case. April 2017: Administrative Court dismissal upheld.	June 2013: Decision of the Court of Appeals to reinstate the case upheld. September 2017: Decisions of lower courts were left in force.	Family's lawsuit unsuccessful.
5	March 2012: Lawsuit dismissed by District Court.	January 2013: District Court decision reversed and case remand to District Court for re-examination.	November 2015: Appeal by the defendant Ministry of Transport and Public Affairs rejected and case returned for examination by Tirana Administrative Court. November 2022: Administrative Court of Appeals rejects lawsuit. Not appealed.	Family's lawsuit unsuccessful.

6	October 2012: Lawsuit dismissed by District Court, due to failure of the representative of the family to appear at the hearing.	November 2013: District Court ruling upheld.	Not appealed to the Supreme Court.	Family's lawsuit unsuccessful.
7	December 2010: Court rules in favor of the family.	December 2011: District Court ruling upheld.	January 2016: Court of Appeals ruling upheld.	Family's lawsuit successful, with compensation by the Government awarded.
8	March 2012: Lawsuit dismissed by District Court.	June 2012: District Court ruling upheld.	September 2015: Court of Appeals ruling upheld.	Family's lawsuit unsuccessful.
9	May 2011: Lawsuit dismissed by District Court.	January 2012: District Court ruling upheld.	June 2015: Court of Appeals ruling upheld.	Family's lawsuit unsuccessful.

III. OBSERVATIONS

5. Management notes the following with respect to the period since the Fourth Progress Report:

- Case monitoring: Based on experience gained between 2010 and 2012, Management elected to discontinue the deployment of the independent International Observer in 2012, and instead to rely on a team of Tirana-based lawyers who had worked closely with the International Observer and who continued to monitor the cases under the supervision of World Bank staff in the Country Office and the Legal Vice-Presidency. This team continued to submit written reports, supplemented by oral briefings, on each hearing, though the frequency of such reports diminished over time as cases moved from the District Court level (characterized by numerous hearings for each case) to the appellate levels, which usually entailed only one or two hearings.
- Time span of the cases: As is apparent from the table, each of the nine cases has followed a different timeline. All the cases completed the District Court process between 2010 and 2012, and all first appeals to the Court of Appeals were concluded between 2011 and 2013. For cases that then proceeded to the Supreme Court, greater delays were experienced, especially for cases that were remanded by the Supreme Court to lower courts for re-examination, followed by additional appeals. The Supreme Court stage was completed in 2015-2016 for most cases. However, Case #2 was not completed until April 2018, Case #3 in January 2019 and Case #5 in November 2022 (due in part to delays caused by COVID restrictions). In previous Progress Reports, Management observed that while the process has been a protracted one, the cases have generally progressed within the timeline foreseen for the Albanian judicial system. Delays encountered were not out of the ordinary for Albanian practice, and no irregularities in the process in terms of timing or conduct of hearings were detected by the Bank's monitoring team. These observations continue to hold true for the period covered by this report as well, despite the often very lengthy delays experienced at the Supreme Court level and in cases remanded for re-examination.

- Outcomes: Of the nine cases pursued by the Requesters, only two were successful and resulted in the award of compensation by the Government for the demolitions. The other cases were decided against the families on the basis that the houses were illegal and that the process followed by the Government was appropriate, or – in one case – on procedural grounds.² Although Management has received translated copies of most of these decisions, it is not in a position to opine as to the reason for these different outcomes or the jurisprudential soundness of the decisions. Local counsel has advised that despite the apparent similarities of the nine families and the demolition events that affected them, there were some factual differences that may have led to the different legal outcomes. Differences in the legal strategies followed by the lawyers selected by each family may have also played a role. In any event, the approach taken by the Bank and its advisors throughout the process has been one of strict neutrality, not focusing on the substantive merits of the judicial outcomes, but instead focusing on helping to ensure that the Requesters were given the opportunity and provided with the capacity to pursue their cases in Albanian courts, in an open and transparent process.

² The Bank's policy on involuntary Resettlement (OP/BP 4.12) was not triggered for this Project, and no resettlement instrument was produced since the removal of the affected houses was not required or supported by the project. Therefore, the borrower was under no obligation to follow Bank policy in compensating the affected families. This is why the action plan, as approved by the Board, supported individual Requesters to pursue potential legal remedies under Albanian law for compensation from the Government.