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International Bank for Reconstruction and Development
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PROGRESS REPORT No. 3
Implementation of Management Action Plan in Response to
Inspection Panel Investigation Report

ALBANIA

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

February 16, 2011

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Implementation of Management Action Plan

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Annex A: Summary of Progress on Management Action Plan

ABBREVIATIONS AND ACRONYMS

BP	Bank Procedures
CO	Country Office
CVCD	Coastal Village Community Development
ECA	Europe and Central Asia
FY	Fiscal year
ICZMCP	Integrated Coastal Zone Management and Clean-up Project
IDA	International Development Association
IPN	Inspection Panel
LEG	Legal Vice Presidency
OP	Operational Policy
SG	Safeguards
SVA	Social Vulnerability Assessment
PAD	Project Appraisal Document

LIST OF OPERATIONAL POLICIES AND BANK PROCEDURES

OP/BP 4.12	Involuntary Resettlement
OP/BP 10.00	Investment Lending: Identification to Board Presentation
OP/BP 13.05	Project Supervision

EXECUTIVE SUMMARY

The Albania Integrated Coastal Zone Management and Clean-Up Project was approved by the Board of Executive Directors on June 21, 2005. On November 1, 2007, the Executive Directors of the World Bank authorized an Inspection Panel investigation of the Project relating to the demolition of fifteen buildings in the community of Jale, Albania in April 2007. The Management Response identified a series of errors arising from project preparation and implementation and proposed an Action Plan to address these issues. This is the third Progress Report¹ which reports on the implementation of the actions of the Management Action Plan discussed by the Executive Directors on February 17, 2009 in response to the Inspection Panel Investigation Report. The focus of this Report is on the progress of actions requiring continuous monitoring related to the implementation of the Letter Agreement² with the Government of Albania concerning the independently monitored judicial review of the Requester's claims affected as a result of the 2007 demolitions. The report also provides information on the implementation of the restructured Project approved by the Board of Executive Directors on March 22, 2010.

The Bank continues to provide assistance for an independently observed case-by-case review before the Albanian Judiciary of the Requesters' claims. All nine Requesters have filed cases in Tirana District Court. The cases started at different times between December 2009 and March 2010 and are progressing at various speeds. One of the cases has been decided at the District Court level, with a decision in favor of the Requester. The Government has appealed the District Court's ruling. A second case has been dismissed on procedural grounds, but the dismissal is currently being appealed. Decisions in the remaining cases are anticipated within the first half of 2011. Overall, the delays encountered, so far, are not out of the ordinary for the Albanian practice, though the Bank's team will continue to monitor the process closely. Cumulatively, there have been more than 80 court hearings for the nine cases. All the hearings have been attended by the Bank's international Independent Observer or by local counsel working under the Independent Observer's supervision. Both the Independent Observer and local counsel are working under the Bank's supervision. Reports have been submitted to the Bank on each of the court hearings.

The consultants delivered the Social and Vulnerability Assessment (SVA) study to the Ministry of Labor, Social Welfare and Equal Opportunities in January 2011. The SVA used a set of economic and social criteria to produce a typology of vulnerability which was applied to households and individuals in the Southern Coast including those

¹ The first Progress Report was reviewed by the Executive Directors of the Board on July 9, 2009. The second Progress Report was submitted to the Executive Directors of the Board for information, with the restructured Project in March 2010.

² A Letter 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 affirms the Government's consent to World Bank payment of the Requesters' legal fees and the hiring of an Independent Observer who will report on a confidential basis to Management. The Government also commits to making good faith efforts to ensure that the process is expeditious, while respecting the independence of the judiciary, and to comply with any judgment resulting from the review.

who have been or could be affected by demolitions. Two workshops³ were organized: the first served to review and discuss SVA methodology and preliminary results of the field surveys; the second focused on the final results of the analysis. The key products of the SVA study are: (i) development of a methodology to assess vulnerability, including a vulnerability index which can be applied at the household and individual levels; and (ii) four scenarios for assessing and mitigating vulnerability based on guiding principles for decision-makers needed to provide acceptable solutions going forward. The Ministry of Labor, Social Welfare and Equal Opportunities is currently reviewing the SVA study. The Bank will be following up with the Ministry Staff to discuss their reactions to the study and will then explore with key government decision makers their thinking about possible implementation of the different options and principles suggested in the study to address instances where demolition-related impacts have rendered people vulnerable or could do so in the future.

The Albania Coastal Zone Management and Cleanup Project was restructured in March 2010 in close collaboration with the Government of Albania. Suspension on the disbursements of IDA funds was lifted in June 2010. Implementation resumed with validation of the designs of large infrastructure investments prepared in 2007 and 2008 to ensure that proposed investments are up-to-date with current needs and compatible with environmental and social safeguards. Specifically, the restructured project supports investments for (i) clean-up of the hazardous waste site in Porto Romano, Durres Municipality; (ii) construction of a municipal landfill and a transfer station; rehabilitation of the passenger terminal at the Saranda Port, and rehabilitation of water supply and sewerage system of the city of Saranda; and (iii) community-based investments including small water supply and wastewater infrastructure in coastal villages. The restructured Project does not support land use planning activities. Management will report to the Board with the next Progress Report on the implementation of the Management Action Plan by the end of 2011.

³ The workshops were organized by the Ministry of Labor, Social Welfare and Equal Opportunities and attended by key Ministry's staff. In addition, officials and staff of the Ministry of Public Works and Transport, Construction Police, Project Coordination Unit, and representatives of the Saranda and Himara Municipalities, Vlora Region, and Lucova commune participated in the discussions.

I. INTRODUCTION

1. The third Progress Report addresses the implementation of the Management Action Plan⁴ discussed by the Executive Directors on February 17, 2009 and publicly released on February 18, 2009. This Report reports on the progress since March 2010 and provides details on the actions which are subject to continuous monitoring. A summary on the progress of these actions is included in Annex A.

II. STATUS OF IMPLEMENTATION OF MANAGEMENT ACTION PLAN

2. This section provides information on the progress of the following: (a) assistance for the Jale Requesters, including a case-by-case review before the Albanian Judiciary of the Requesters' claims that they were harmed as a result of the April 2007 demolitions; (b) status of the Social and Vulnerability Assessment undertaken by the Government; (c) strengthening communications; and (d) implementation progress of the restructured Project.

A. PROVISION OF ASSISTANCE FOR THE JALE REQUESTERS AND THOSE AFFECTED BY THE APRIL 2007 DEMOLITIONS

3. Based on the Letter Agreement with the Government of Albania⁵, the Bank continues to provide assistance for an independently observed case-by-case review before the Albanian Judiciary of the Requesters' claims that they were harmed as a result of the April 2007 demolitions and that they should be compensated as a result of those demolitions. The following provides details on the progress of specific actions:

Implementation of the Letter Agreement with Government concerning the case-by-case Judicial Review

4. The first Progress Report from July 2009 described the mechanisms put in place by the Bank to support the Requesters' pursuit of judicial review of the demolitions in Jale. These included (i) an Agreement between the Bank and the Government of Albania confirming the Government's assent to an independently monitored judicial review and to the Bank's payment of the Requesters' legal fees; (ii) Grant Agreements with each of the nine families to support their legal fees; (iii) contracting of an

⁴ Management Report and Recommendations in Response to Inspection Panel Report (INSP/R2008-004/2) and the Revised Management Action Plan (INSP/R2008-0004/3).

⁵ An 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 affirms the Government's consent to World Bank payment of the Requesters' legal fees and the hiring of an Independent Observer who will report on a confidential basis to Management. The Government also commits to making efforts in good faith to ensure that the process is expeditious, while respecting the independence of the judiciary, and to comply with any judgment resulting from the review.

independent valuation of the properties; and (iv) hiring of an International Observer. The second Progress Report from February 2010 reported on the hiring of lawyers and filing of cases in Tirana District Court by the nine families, and on the process followed to supervise preliminary hearings for the cases up to the end of January 2010.

5. To date, all nine families have filed court cases. Court review of the cases started at different times between December 2009 and February 2010. One of the cases was decided by the District Court in December 2010, with a decision in favor of the Requester. The Government has appealed the District Court's ruling, in accordance with established law and practice. Consistent with the Management Action Plan, the Bank will provide financial assistance to cover the Requester's reasonable legal expenses during the appeal process, which is expected to get underway soon. A second case has been dismissed on procedural grounds, but the dismissal is currently being appealed. Decisions in the remaining District Court cases are anticipated within the first half of 2011.

6. Cumulatively, there have been more than 80 court hearings for the nine cases. The Bank's Independent Observer, has conducted seven missions to Tirana to attend selected hearings. Other hearings have been attended by local legal counsel, working under the supervision of the Independent Observer. Both the Independent Observer and local counsel are working under the Bank's supervision. Reports on all hearings of the nine cases have been submitted by the observation team to the Bank.

7. Although the process has been a protracted one, the cases have thus far progressed within the foreseen timeframe. All of the cases have moved beyond initial procedural questions and the parties have presented their substantive legal positions. In a majority of the cases, court appointed experts have already conducted valuations of the damage to the Requesters' buildings and (in several cases) loss of income. There have been some delays related to illness of State Attorneys and judges, failure for subpoenas to be delivered on time, transfer of a judge, requests by one party for time to review the evidence submitted by the other party, etc. Overall, however, delays encountered so far are apparently not out of the ordinary for Albanian practice, though the Bank's observation team will continue to monitor the situation closely.

B. SOCIAL AND VULNERABILITY ASSESSMENT

8. The consultants delivered the Social and Vulnerability Assessment (SVA) study to the Ministry of Labor, Social Welfare and Equal Opportunities in January 2011. The SVA study focused on the relationship between demolitions and vulnerability of people and families living in the Southern Coast. Two workshops⁶ were organized: the first served to review and discuss SVA methodology and preliminary results of the field surveys; the second focused on the final results of the analysis. A field survey, which used both quantitative and qualitative methods, was carried out on a sample of 650 households. The sample group included those who have been subject to demolition,

⁶ The workshops were organized by the Ministry of Labor, Social Welfare and Equal Opportunities and attended by key Ministry's staff. In addition, officials and staff of the Ministry of Public Works and Transport, Construction Police, Project Coordination Unit, and representatives of the Saranda and Himara Municipalities, Vlora Region, and Lucova commune participated in the discussions.

owners of structures that are listed as candidates for demolition, and a control group. SVA study defines as vulnerable, “a household or an individual that is affected by demolition in such a way that it becomes unable to recover its quality of life to the previous level and is at risk of falling below the poverty line”. The study also notes that the current Albanian social safety net offers little protection against such vulnerability.

9. Results of the quantitative analysis and information collected through interviews indicate that citizens are without legal protection against the risk of demolition. In addition, whenever conflicting positions exist between the views of the Central Government and those of local Governments, the risk of becoming vulnerable is higher. Impacts leading to increased vulnerability include: (i) loss of primary residence; (ii) loss of a secondary building; (iii) loss of economic activity; and/or (iv) loss of an investment. The report *inter alia* concludes that: (a) citizens have little certitude regarding the legal status of their property; (b) the process of property registration is still incomplete in coastal areas and land ownership remains contentious; and (c) overlapping responsibilities, contradictions between various laws, and institutional weaknesses have not favored transparency of processes and standardization of criteria.

10. The SVA provides a typology of vulnerability based on multi-variant criteria, which includes demographic, economic factors and income streams, and other social variables. It provides options for mitigation and gives guiding principles for decision-makers which are needed to provide acceptable solutions going forward. The Ministry of Labor, Social Welfare and Equal Opportunities is currently reviewing the SVA study. The Bank will be following up with the Ministry Staff to discuss their reactions to the study and will then explore with key government decision makers their thinking about possible implementation of the different options and principles suggested in the study to address instances where demolition-related impacts have rendered people vulnerable or could do so in the future.

C. STRENGTHENING COMMUNICATIONS

11. The Management Action Plan has been well publicized in Albania. The ICZMCP team has undertaken numerous missions to the Southern Coast to meet with communities regarding project infrastructure investments. The World Bank Country Office in Tirana continues to provide proactive and time-bound responses to inquiries from communities, civil society and the private sector. The Country Office has received communications pertaining to overall development pressure in other parts of the Albanian coast. Although the communications concern developments unrelated to ICZMCP, the CO responded promptly. There have been a number of communications from communities and households regarding Coastal Village Community Development (CVCD) Program investments along the Southern Coast. During the reporting period, no one from other communities and households in which demolitions took place at the same time as those in Jale, has come forward to request the assistance which is provided for in the Management Action Plan.

12. During the preparation of the Country Partnership Strategy (FY11-FY14) the Country Office held consultations with the Economic Parliamentary Committee on the

country's development priorities. The ongoing pilot, under the Governance Partnership Facility to involve civil society partners in Bank's supervision of projects and increase transparency and public awareness, will be launched later this year. The Country Office continues to engage in supervision of Government-led consultations with civil society and business community.

D. IMPLEMENTATION OF ALBANIA COASTAL ZONE MANAGEMENT PROJECT

13. The project was restructured in March 2010 in close collaboration with the Government of Albania. The Government assigned high priority to supporting critical environmental infrastructure that validates the Project significance to the sustainable economic development of the Southern Coast and well being of its peoples. The objective of the restructured Project is to assist the Government of Albania in developing, on a sustainable basis, tourism along the Southern Coast by improving critical public environmental infrastructure and municipal services, remediating and containing pollution hazards from a former chemical plant in Porto Romano near Durres, improving community infrastructure, and enhancing architectural and cultural resources.

14. The restructured project was approved by the Board of Directors with a new closing date of December 31, 2012. In June 2010, the suspension on disbursements was lifted. Specifically, the restructured Project supports investments for (i) the clean-up of the hazardous waste site in Porto Romano, Durres Municipality; (ii) construction of municipal landfill and a transfer station; rehabilitation of the passenger terminal at the Saranda Port, and rehabilitation of water supply and sewerage system of the city of Saranda; and (iii) community-based investments including small water supply and wastewater infrastructure in coastal villages. The restructured Project does not support land use planning activities. Designs for large infrastructure investments (e.g., rehabilitation of Saranda Passenger Port and Saranda Water Supply and Sewage System Rehabilitation), prepared in 2007 and 2008, are being reviewed. Project site validation to ensure that proposed investments are up-to-date with current needs and compatible with environmental and social safeguards has been completed. Preparation of sub-projects for the second round of CVCD Program supporting small community infrastructure is underway.

15. The project finances investments for cleanup of the former lindane plant in Porto Romano community, near Durres, with an objective to (i) prevent public health risks from direct contact or incidental ingestion or inhalation of contaminated soils; (ii) mitigate potential long term risk to groundwater from residual constituents in the soils; and (iii) mitigate potential long-term risks associated with surface water runoff. To date, 65% of the remediation works have been carried out which includes excavation of contaminated material from four sites which is safely disposed in a confined disposal facility. Cleanup of all sites and encapsulation of contaminated material is expected to be completed by May 2011. The Porto Romano cleanup works are likely to meet the designed objectives and achieve the Project outcome indicators.

III. NEXT STEPS

16. The Bank will continue to monitor the progress of remaining actions of the Management Action Plan related to the assistance for an independently observed case-by-case review before the Albanian Judiciary of the Requesters' claims regarding the April 2007 demolitions and implementation progress of the restructured Project. Management will report to the Board with the next Progress Report (No. 4) on the implementation of these actions by the end of 2011.

Annex A: Summary of Progress on Management Action Plan⁷

RELEVANT OP Issue	PROPOSED ACTION	PREVIOUS PROGRESS (February 2010)	CURRENT STATUS
1. OP/BP 4.12 INVOLUNTARY RESETTLEMENT			
Provision of assistance for the Jale Requesters	<p>1. The Bank will finance selected costs for carrying out a case-by-case review before the Albanian Judiciary of the Requesters' claims that they were harmed as a result of the April 2007 demolitions and that they should be compensated as a result of those demolitions. These costs will include the legal services required by the Requesters, including, if necessary, for well-founded appeals following the review. They will also include paying for an independent observer acceptable to the Bank who will report to the Bank on the transparency, credibility, independence, and timeliness of the review process. To facilitate these actions, the Bank will confirm the Government's assurance of all possible efforts for the expeditious completion of this review, while recognizing and committing to fully respect the independence of the Judiciary. The Bank will also confirm that the Government will provide all available documentation necessary for the review, and that the Government will not object to a reasonable proposal to consolidate the Requesters' claims. Further, the Bank will also confirm that Government will abide by, and promptly comply with, any and all court decisions resulting from this review, including any decisions to compensate plaintiffs. If the process is judged unsatisfactory by the observer or the Bank, Management reserves the option to (i) suspend disbursements under the Project if it were to be restructured; and (ii) directly</p>	<p>In June 2009 the selection and hiring of lawyers by the Requesters was completed. Five legal teams have been hired to represent the nine families, several of the families having decided to use the same lawyers. As noted in the previous Progress Report, the choice of lawyers was left up to the families themselves. The Bank engaged in only minimal vetting to ensure that the selected lawyers were registered and licensed and that their fees fall within a normal range for Albania. The preparation of the individual cases and their filing with the District Court of Tirana has taken longer than expected, but has nonetheless proceeded. Six of the nine families have now filed cases. Preliminary hearings for three of the cases were conducted in December 2009 and January 2010, and one of these cases has advanced to its third hearing. Three more cases are scheduled to begin in February 2010. It is not unusual in cases of this sort for eight to ten District Court hearings to be required before a final judgment. The Bank's Independent Observer, Dr. G. Colledani, [retired Vice-President of the Austrian Court of Appeals], has personally attended two of the hearings to date in two missions to Albania. The other hearings have been attended by local counsel, working under the supervision of the Independent Observer. The reports of the Independent Observer and his team indicate that the early hearings have been confined to preliminary procedural matters. The substance of the cases will not be considered by the judges until subsequent hearings.</p>	<p>To date, all nine families have filed court cases. Court review of the cases started at different times between December 2009 and February 2010. One of the cases was decided by the District Court in December 2010, with a decision in favor of the Requester. The Government has appealed the District Court's ruling, in accordance with established law and practice. Consistent with the Management Action Plan, the Bank will provide financial assistance to cover the Requester's reasonable legal expenses during the appeal process, which is expected to get underway soon. A second case has been dismissed on procedural grounds, but the dismissal is currently being appealed. Decisions in the remaining District Court cases are anticipated within the first half of 2011.</p> <p>Cumulatively, there have been more than 80 court hearings for the nine cases. The Bank's Independent Observer, has conducted seven missions to Tirana to attend selected hearings. Other hearings have been attended by local legal counsel, working under the supervision of the Independent Observer. Both the Independent Observer and local counsel are working under the Bank's supervision. Reports on all hearings of the nine cases have been submitted by the observation team to the Bank. Although the process has been a protracted one, the cases have thus far progressed within the foreseen timeframe. All of the cases have moved beyond initial procedural questions and the parties have presented their substantive legal positions. In a majority of the cases, court appointed experts have already conducted valuations of the damage to the Requesters' buildings and (in several cases) loss of income. There have been some delays related to illness of State Attorneys and judges, failure for subpoenas to be delivered on time, transfer of a judge, requests by one party for time to review the evidence submitted by the other party, etc. Overall, however, delays encountered so far are apparently not out of the ordinary for Albanian practice, though the Bank's</p>

⁷ For details on MAP actions completed prior to March 2010, please refer to the Summary matrices (Annex A) of Progress Report No. 1 of July 9, 2009, and Progress Report No. 2 of February 26, 2010.

RELEVANT OP Issue	PROPOSED ACTION	PREVIOUS PROGRESS (February 2010)	CURRENT STATUS
	provide assistance to the Requesters, even though the Bank is not legally obligated to do so.		observation team will continue to monitor the situation closely.
	<p>2. Management will supervise the completion of the Social and Vulnerability Assessment according to TORs agreed with the Bank as well as the retroactive application of the resulting assistance package for poor and/or vulnerable to the families affected by the April 2007 demolitions.</p> <p>3. Management will report to the Board in three months on the case-by-case review by the Judiciary as well as the Social and Vulnerability Assessment.</p>	<p>The Government has initiated the Social and Vulnerability Assessment to develop criteria for identifying poor and/or vulnerable groups who may be affected by demolitions in the Southern Coast and to define an assistance package and procedures. The international consultant hired for the SVA has piloted the survey instrument in Jale, Livadh, Potam, Vuno, and Himara and has developed a methodology which has been reviewed by the Bank and submitted to the Government. The work of the consultant progressed markedly slowly than anticipated and has been often interrupted by the political dynamics during the Parliamentary elections and the period that followed. Consequently, in the fall of 2009 the consultant's work has been brought to halt but is expected to resume once a resolution on the request of the Ministry of Labor, Social Affairs and Equal Opportunity to extend the SVA survey on targeted demolitions in Tirana is reached within the Government. This may entail revisiting of the Terms of Reference and renewing the consultant contract which in the meantime lapsed. The Management has followed on a regular basis with the Government on the progress of the SVA by holding meetings and exchange of letters. The project team continues to supervise the progress as part of the overall project supervision.</p>	<p>The consultants delivered the Social and Vulnerability Assessment (SVA) study to the Ministry of Labor, Social Welfare and Equal Opportunities in January 2011. The SVA study focused on the relationship between demolitions and vulnerability of people and families living in the Southern Coast. Two workshops were organized: the first served to review and discuss SVA methodology and preliminary results of the field surveys; the second focused on the final results of the analysis. A field survey, which used both quantitative and qualitative methods, was carried out on a sample of 650 households. The sample group included those who have been subject to demolition, owners of structures that are listed as candidates for demolition, and a control group. SVA study defines as vulnerable, "a household or an individual that is affected by demolition in such a way that it becomes unable to recover its quality of life to the previous level and is at risk of falling below the poverty line". The study also notes that the current Albanian social safety net offers little protection against such vulnerability. Results of the quantitative analysis and information collected through interviews indicate that citizens are without legal protection against the risk of demolition. In addition, whenever conflicting positions exist between the views of the Central Government and those of local Governments, the risk of becoming vulnerable is higher. Impacts leading to increased vulnerability include: (i) loss of primary residence; (ii) loss of a secondary building; (iii) loss of economic activity; and/or (iv) loss of an investment. The report inter alia concludes that: (a) citizens have little certitude regarding the legal status of their property; (b) the process of property registration is still incomplete in coastal areas and land ownership remains contentious; and (c) overlapping responsibilities, contradictions between various laws, and institutional weaknesses have not favored transparency of processes and standardization of criteria. The SVA provides a typology of vulnerability based on multi-variant criteria, which includes demographic, economic factors and income streams, and other social variables. It provides options for mitigation and gives guiding principles for decision-makers which are needed to provide acceptable solutions going forward. The Ministry of Labor, Social</p>

RELEVANT OP Issue	PROPOSED ACTION	PREVIOUS PROGRESS (February 2010)	CURRENT STATUS
			Welfare and Equal Opportunities is currently reviewing the SVA study. The Bank will be following up with the Ministry Staff to discuss their reactions to the study and will then explore with key government decision makers their thinking about possible implementation of the different options and principles suggested in the study to address instances where demolition-related impacts have rendered people vulnerable or could do so in the future.
2. OP/BP 13.05 PROJECT SUPERVISION			
Continuing Project supervision	<p>Option 1. Management cancels the IDA Credit.</p> <p>or</p> <p>Option 2. In coordination with other donors, Management will restructure the Project to maintain support for the following activities: (i) clean-up of hazardous waste in Porto Romano; (ii) construction of a landfill and development of a solid waste management system; (iii) construction of a passenger terminal at the Saranda Port; (iv) small-scale water supply and wastewater investments in the city of Saranda and smaller villages in the Southern Coast; (v) community-based investments in coastal villages; and (vi) protected areas management of Butrinti National Park. All land planning activities will be cancelled and the associated funds re-allocated to other activities. The proposed restructuring will be presented to the Board for approval. While the Project is being restructured, the suspension of disbursements will be lifted for all but the land-use planning activities to ensure the continued implementation of important infrastructure investments.</p> <p>NB: Regardless of whether Option 1 or 2 is decided upon, the Bank intends to provide assistance to the Requesters as set out above.</p>	<p>In light of the significant progress made on the Management Action Plan, and as requested by the Government of Albania, Management authorized preparation for project restructuring to begin in December 2009. The Government assigns high priority to investments in critical environmental infrastructure which support sustainable development of the Albanian South Coast. The project will be restructured in coordination with the donors providing project co-financing. The restructured Project will be submitted to the Board in conjunction with this Progress Report.</p> <p>The restructured Project will support critical infrastructure for improving environmental and sanitary conditions essential for the long term development of the Southern Coast of Albania. The proposed changes will not have major effect on the original implementation arrangements, financial management and procurement. Environmental and social safeguards category of the Project is retained with specific attention on safeguards provisions concerning project investments.</p> <p>The restructured Project will support the following activities: (i) clean-up of the hazardous waste site in Porto Romano; (ii) construction of one municipal landfill to serve the municipality of Saranda and one transfer station in Himare in support to improved solid waste management ; (iii) reconstruction of port facilities in Saranda to allow access of cruise</p>	<p>The project was restructured in March 2010 in close collaboration with the Government of Albania. The Government assigned high priority to supporting critical environmental infrastructure that validates the Project significance to the sustainable economic development of the Southern Coast and well being of its peoples. The objective of the restructured Project is to assist the Government of Albania in developing, on a sustainable basis, tourism along the Sothern Coast by improving critical public environmental infrastructure and municipal services, remediating and containing pollution hazards from a former chemical plant in Porto Romano near Dures, improving community infrastructure, and enhancing architectural and cultural resources. The restructured project was approved by the Board of Directors with a new closing date of December 31, 2012. In June 2010, the suspension on disbursements was lifted. Specifically, the restructured project supports investments for (i) the clean-up of the hazardous waste site in Porto Romano, Dures Municipality; (ii) construction of municipal landfill and a transfer station; rehabilitation of the passenger terminal at the Saranda Port, and rehabilitation of water supply and sewerage system of the city of Saranda; and (iii) community-based investments including small water supply and wastewater infrastructure in coastal villages. The restructured Project does not support land use planning activities. Designs for large infrastructure investments (e.g., rehabilitation of Saranda Passenger Port and Saranda Water Supply and Sewage System Rehabilitation), prepared in 2007 and 2008, are being reviewed. Project site validation to ensure that proposed investments are up-to-date with current needs and compatible with environmental and social safeguards has been completed. Preparation of sub-projects for the second</p>

RELEVANT OP Issue	PROPOSED ACTION	PREVIOUS PROGRESS (February 2010)	CURRENT STATUS
		<p>liners in order to facilitate passenger access to the Southern Coast (iv) water supply and wastewater investments in the city of Saranda ; (v) community-based investments in coastal villages; and (vi) protected areas management of Butrint National Park. There are no changes in the original IDA allocation for the Project and the co-financing from the Government of the Netherlands, the PHRD implementation grant from the Government of Japan, GEF and the Austrian Government is retained. All undertakings concerning the case-by-case review Agreement and the completion of the Social Vulnerability Assessment will be included as covenants in the proposed amendments to the Development Credit Agreement.</p>	<p>round of CVCD Program supporting small community infrastructure is underway. The project finances investments for cleanup of the former lindane plant in Porto Romano community, near Durres, with an objective to (i) prevent public health risks from direct contact or incidental ingestion or inhalation of contaminated soils; (ii) mitigate potential long term risk to groundwater from residual constituents in the soils; and (iii) mitigate potential long-term risks associated with surface water runoff. To date 65% of the remediation works have been carried out which includes excavation of contaminated material from four sites which is safely disposed in a confined disposal facility. Cleanup of all sites and encapsulation of contaminated material is expected to be completed by May 2011. The Porto Romano cleanup works are likely to meet the designed objectives and achieve the Project outcome indicators.</p>
<p>Strengthening communications</p>	<p>Management will continue to implement the newly revised Communications Strategy in the World Bank Office in Tirana, Albania. The new strategy includes inter alia: (a) a system for proactive and time-bound responses to complaints from communities, civil society and the private sector; (b) annual briefings to the relevant Parliamentary committees on project implementation and policy reform issues; and (c) increased supervision of government-led consultation processes during project preparation and implementation.</p>	<p>The Country Office continues to implement the Communications Strategy in Albania by providing proactive and time-bound responses to complaints from communities, civil society and the private sector. The Country Office responds promptly on requests for information and has increased supervision of government-led consultation processes during project preparation and implementation. The Country Unit is preparing to launch a pilot exercise in 2010-2011 under the Governance Partnership Facility to involve civil society partners in the Bank's supervision of project implementation as a way to increase transparency and public awareness.</p>	<p>The Management Action Plan has been well publicized in Albania. The ICZMCP team has undertaken numerous missions to the Southern Coast to meet with communities regarding project infrastructure investments. The World Bank Country Office in Tirana continues to provide proactive and time-bound responses to inquiries from communities, civil society and the private sector. The Country Office has received communications pertaining to overall development pressure in other parts of the Albanian coast. Although the communications concern developments unrelated to ICZMCP, the CO responded promptly.</p> <p>There have been a number of communications from communities and households regarding Coastal Village Community Development (CVCD) Program investments along the Southern Coast. During the reporting period, no one from other communities and households in which demolitions took place at the same time as those in Jale, has come forward to request the assistance which is provided for in the Management Action Plan.</p> <p>During the preparation of the Country Partnership Strategy (2010-2013) the Country Office held consultations with the Economic Parliamentary Committee on the country's development priorities. The ongoing pilot, under the Governance Partnership Facility, to involve civil society partners in Bank's supervision of projects</p>

RELEVANT OP Issue	PROPOSED ACTION	PREVIOUS PROGRESS (February 2010)	CURRENT STATUS
			and increase transparency and public awareness will be launched later this year. The Country Office continues to engage in supervision of Government-led consultations with civil society and business community.