



Albania – KESH 50MW PV

Resettlement Framework



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ABBREVIATIONS

ACA	Albanian Cadastral Agency
ALL	Albanian Currency
CAI	Census and Asset Inventory
COM	Council of Ministers
DCM	Decisions of the Council of Ministers
EIA	Environmental Impact Assessment
KPI	Key Performance Indicators
LEA	Land Easement and Acquisition
NTS	Non-Technical Summary
MoIE	Ministry of Infrastructure and Energy
MTE	Ministry of Tourism and Environment
NEA	National Environmental Agency
PAP	Project Affected People
RF	Resettlement Framework
SEA	State Expropriation Agency
SEP	Stakeholder Engagement Plan

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Introduction

KESH -Albania's state-owned generator- is proposing to construct and operate a 50 MW solar photo-voltaic (PV) plant and associated electrical infrastructure and 5km 110kV overhead line connection (the “Project”) to an existing sub-station at Kajan. The EBRD is considering financing for the Project.

To date KESH has prepared the following for the Project:

- an in-house pre-feasibility study
- a preliminary Environmental Impact assessment (ESIA), performed by an Albanian consultant that has the license to carry out environmental impact assessments, hired by KESH (according to the Albanian legislation).

KESH owns and operates the largest hydropower cascade in Albania of 1.350 MW of installed capacity. To support KESH and the country in its attempt to diversify its generation away from hydro, KESH is developing a floating solar PV . The implementation of the latter has been delayed and construction has not started yet. As per current expectation, the plant will be operational by end-2024. Thus this will be KESH’s second investment in solar based energy.

This document, the **Resettlement Framework (RF)** Report has been developed for the Project, and will be disclosed publicly, in addition to a Non-Technical Summary (NTS) and a Stakeholder Engagement Plan (SEP).

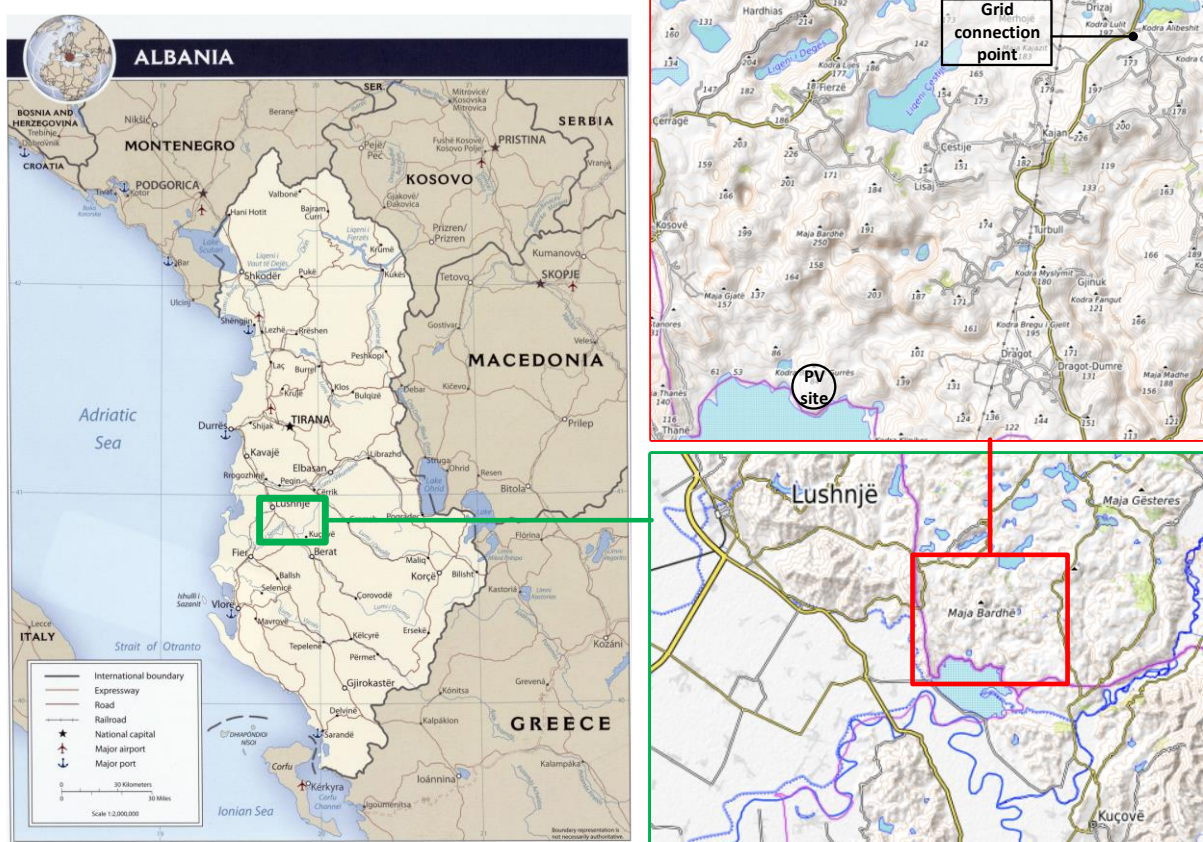
1 Project description

1.1 Location and access

The Project is located 50 km South of Tirana within the territory of Belsh Municipality, in Elbasan County, central Albania.

The Project area is accessible from Tirana by good quality roads (80 km, 90 min). The area is also easily accessible from Durres, the main harbour of Albania: this will be the main supply route for the Project.

Figure 1 - Project location



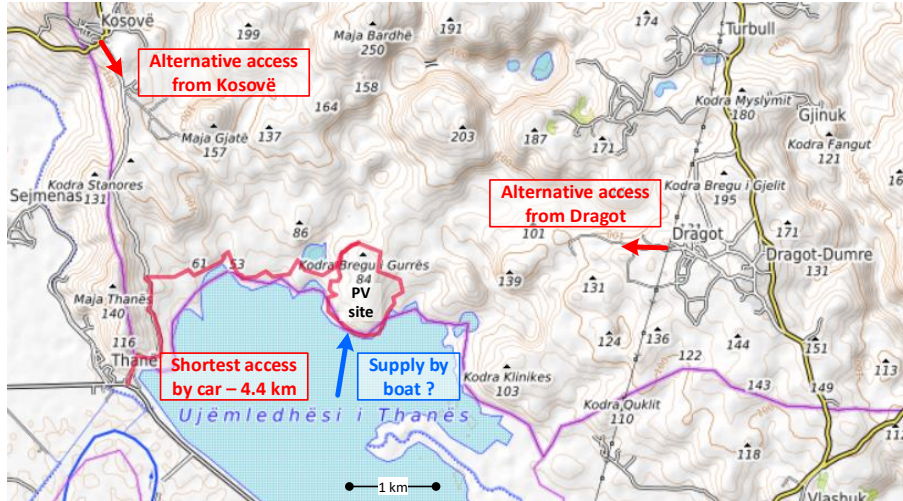
Once in the Project area, there are different options to access the site from the West or from the East. All options are through single track earth roads (see Picture 1) of average quality, where speed is limited by the lack of visibility and the very uneven terrain. From the closest asphalted roads, it takes from half an hour to one hour reach the PV site.

The fastest and shortest access is from Thanë, at the Western end of Thana reservoir (see Figure 2). The longest and slowest access is from Dragot, on the Eastern side.

Considering the need to supply the worksite with around 100 000 solar panels, and the need for 100-150 workers to commute daily (unless accommodated locally), the improvement of access road will be unavoidable, including (i) overall resurfacing, (ii) locally widening (for vehicles to cross each other) and (iii) reshaping curves so that trucks can access the site.

An alternative option considered by KESH is the possibility to supply the PV site by boats or barges across Thana reservoir. This option was not studied yet by KESH, and would be subject to seasonality constraints since the reservoir is emptied during the winter period (see Figure 3).

Figure 2 - Access to the site



The substation where the Project will connect to the grid, is directly accessible through good quality asphalted roads.

Picture 1 - Example of earth roads in the Project area (left) and along the TL route (right)



Figure 3 - Thana reservoir empty (left, 02.2019) and full (right, 08.2023)



1.2 Technical description

1.2.1 Project components

The Project consists in the construction & operation of a greenfield 50 MW solar (PV) plant. A pre-feasibility study was prepared by KESH in 2022. The pre-feasibility report and the technical discussion held with KESH during the field visit form the basis of the technical description provided hereafter.

The PV power plant will include:

- Solar panel arrays, mounted on fixed frames, or trackers, or a mix of both: the EPC bidders will have the possibility to propose the two options, and KESH will select the one with the best cost-benefit ratio.
- Access roads/ways within the PV plant: main passages will be paved with stones or surfaced with gravels, while surfaces under the panels will remain with natural soil.
- Inverters, to transform DC into AC electric current.
- A switchyard and 20-110 kV transformer substation – less than 1 hectare will be required within the 18 ha land plot than is planned to be acquired by KESH for this infrastructure (see Figure 4).
- A 8-9 km 110kV overhead line connection to the existing sub-station at Kajan. This will include an extension of the Kajan substation, since there is no space to add a line in the existing layout (see Figure 5): a new bay is to be built, in coordination with OST (the grid operator) who already approved the principle of a connection at Kajan substation.
- A carpark, workshop and facilities for technical and non-technical staff during operation.
- A fence around the PV site, to prevent intrusion.
- A temporary storage site and assembling/workshop area, as well as possibly local workers accommodation for the construction period.
- The improvement, and locally widening/reshaping, of the access road that will be selected.

Figure 4 - Land plots planned for the PV plant (yellow) and Substation (red)



Figure 5 - The existing Kajan substation



1.2.2 Detailed characteristics

The preliminary PV plant characteristics are described in Table 1 hereafter.

Table 1 - Preliminary PV plant characteristics

Project district	Elbasan
Project municipality	Belsh
PV site area	500 000 m ²
Area of PV modules	250 000 m ²
Installed power	50 MWp
Number of generating units	100 000
Expected period of commissioning	1 year from the receipt of construction permit
Expected lifespan of the resource	25 years

The 50 MWp PV plant will be connected to the transmission network at the 110 kV voltage level in the Kajan substation, 8 km from the PV site.

This will be made possible by the construction of a new 20/110 kV booster substation next to the photovoltaic park which is part of the Project. The new substation will be designed with the necessary space for connection to the 110 kV and for the possibility of increasing capacity with new plants in the future.

The metering point will be at the outlet of the 35/110kV Step Up Transformer next to PV Plant. The transmission line and the extension of Kajan substation will be built by KESH and will then be operated by OST, the national transmission grid operator. Land acquisition for the transmission line will be done by KESH.

1.3 Definitions

For clarity this document uses defined terms as set out in the following.

Compensation: payment in cash or in kind at Replacement Value for an asset or a resource that is acquired or affected by the Project at the time the assets need to be replaced.

Cut-Off Date: persons found to occupy the Project area after the Cut-Off Date are not eligible to Project compensation or other Resettlement benefits. Similarly, fixed assets (such as built structures or crops) established after the Cut-Off Date will not be compensated. In practice, the Cut-Off Date is usually the date of completion of the census of people and inventory of assets in the Project-Affected Area, unless there are local legal provisions to another arrangement.

Displacement (Economic): loss of income streams or means of livelihood resulting from land acquisition or obstructed access to resources (land, water or forest) caused by the construction or operation of the Project or its associated facilities. Not all economically displaced people need to relocate due to the Project.

Displacement (Physical): loss of shelter and assets resulting from the acquisition of land associated with the Project that requires the affected person(s) to move to another location.

Expropriation: process whereby a public authority, usually in return for compensation, requires a person, household, or community to relinquish rights to land that this person, household, or community occupies or otherwise uses.

Formal User means a person who, at the time of the Cut-off Date, either:

- has formal legal rights to use land affected by the Project; or
- does not have formal legal rights to use land affected by the Project, but who has a claim to such land that is recognized or recognizable under the national laws.

Informal User means: (a) a person actually using land affected by the Project at the time of the Cut-off Date; and/or (b) a person who is not actually using land affected by the Project at the time of the Cut-off Date but who can provide satisfactory evidence of:

- their use of the land for at least one year during a period of two years prior to the Cut-off Date; and
- their genuine intention to utilize that land in the future for the same or substantially similar purpose within one year of the Cut-off Date; and who, in both cases, has no recognizable legal right or claim to the land he/she occupies or uses.

Project-Affected Area: an area which is subject to a change in use as a result of the construction or operation of the Project.

Project-Affected Person (PAP): any person (including household, companies...) who, as a result of the implementation of the Project, loses the right to own, use, or otherwise benefit from a built structure, land (residential, agricultural, pasture or undeveloped/unused land), annual or perennial crops and trees, or any other fixed or moveable asset, either in full or in part, permanently or temporarily. Not all PAP need to move due to the Project. PAP may also include Economically Displaced People, i.e., people subject to Economic Displacement as defined above.

Replacement Value: The rate of compensation for lost assets must be calculated at full Replacement Value, that is, the market value of the assets plus transaction costs (taxes, registration fees, cost of transport associated with registration of new land and land transfer, etc.).

The Replacement Value must reflect the cost at the time the item must be replaced. With regard to land and structures, "Replacement Value" is defined as follows:

- **agricultural land:** the market value of land of equal productive use or potential located in the vicinity of the affected land, plus the cost of preparation to levels similar to or better than those of the affected land, plus the cost of any registration and transfer taxes;
- **land in urban areas:** the market value of land of equal size and use, with similar or improved public infrastructure facilities and services, preferably located in the vicinity of the affected land, plus the cost of any registration and transfer taxes; and
- **household and public structures:** the cost of purchasing or building a new structure, with an area and quality similar to or better than those of the affected structure, or of repairing a partially affected structure, including labor and contractors' fees and any registration and transfer taxes.

In determining the replacement value, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of the benefits to be derived from the Project deducted from the valuation of an affected asset.

Resettlement: although Resettlement sensu stricto means only the activities intended to relocate people to a new location, it generally encompasses both the displacement and the

Resettlement *sensu stricto*. Resettlement refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of project-related land acquisition.

Resettlement Assistance: support provided to people who are physically displaced by the Project. Assistance may include transportation, and social or other services that are provided to affected people during their relocation. Assistance may also include cash allowances that compensate affected people for the inconvenience associated with Resettlement and defray the expenses of a transition to a new locale, such as moving expenses and lost work days.

Resettlement (Involuntary): Resettlement is considered Involuntary when affected individuals or communities do not have the right to refuse land acquisition that results in displacement. This occurs in cases of:

- lawful Expropriation or restrictions on land use based on eminent domain; and
- negotiated settlements in which the buyer can resort to Expropriation or impose legal restrictions on land use if negotiations with the seller fail.

Usufruct Rights: Usufruct Rights are usage and occupation rights over a property for a limited period of time. Usufruct Rights can be held by an entity distinct from that which holds ownership rights. Typical Usufruct Rights include those resulting from tenancy or lease agreements, or customary occupation of public land.

Vulnerable Groups: People who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may be more adversely affected by Resettlement than others and who may be limited in their ability to claim or take advantage of Resettlement Assistance and related development benefits.

2 Project land requirements

2.1 Rationale for the selection of the PV site

KESH indicates that there are several reasons why the land plot was chosen for the PV project. The first reason is that most of the land is owned by the state and no large expropriations are expected. Through an agreement, the land will be used by KESH.

The second reason is that the area has limited developed and cultivated vegetation. Also, the area has no houses. In this way, it is not foreseen that there will be displacement of the population for the construction of the photovoltaic plant.

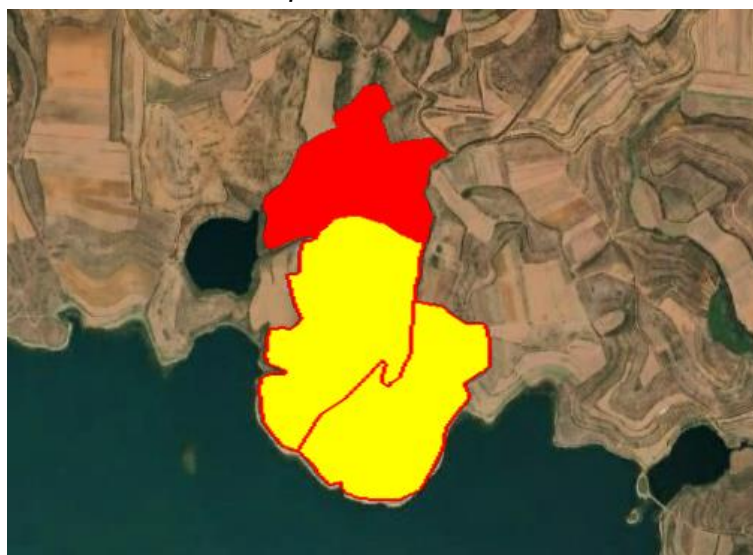
The third reason is that the area has a very good level of solar radiation. Finally, in the vicinity of the area (about 8 km) there is an existing substation of TSO (110kV).

2.2 Required land surfaces for the Project

The areas that are required for the Project include:

- PV plant (in yellow on Figure 6), 49.1 ha split in two land plots, expected to be almost fully used.
- Substation, (in red on Figure 6), 19.4 ha split in eight land plots, only 1 ha will effectively be needed for the substation. Part of the land can also be used for temporary camps and storage during the PV plant construction.
- Transmission line tower footprint – estimated to 0.3 ha (around 30 towers and 100m² per tower).
- Kajan substation extension – probably around 0.1 to 0.2 ha.
- Earth road widening is likely to be needed at some locations to access the PV site, so that trucks and cars can safely access and cross each other.

Figure 6 - Substation and PV land plots



KESH indicates that the process of acquiring the land for the line has not started yet. This process will start the moment KESH has the basic design of the line: once KESH has finally

determined the route of the line, the type of the line, the size of the tower of the line, etc., the expropriation process will begin.

2.3 Pictures

Picture 2 shows an existing 110 kV line in the Project area. It is a good example of how the TL design (here, the height of towers) can be adjusted to avoid impacts on olive trees.

Picture 2 - Example of an existing TL in the Project area



Picture 3 provides an example of landscape: many existing earth roads are available to minimize the need for new access roads for the TL. Houses should be avoided.

Picture 3 - Typical landscape in the TL route area



3 Legal framework

3.1 Applicable laws of Albania

Table 2 below identifies key pieces of Albanian legislation that are relevant to land acquisition and resettlement.

Table 2 - Identification of Key Albanian Legislation Pertaining to Land Acquisition

Title	Key issues addressed
Constitution of the Republic of Albania	Main constitutional principles, essential rights and freedoms, organization of the state and independence of the state bodies, elections, hierarchy of the laws etc.
Civil Code of the Republic of Albania	Legal rights related to immovable properties (such as ownership, easement-servitudes and usufruct rights, lease, etc.) Interacting and beneficiary parties, their contractual rights, modalities of acquisition of rights referred above, and the obligation to register them.
Law No.111 of 07.02.2019 "On Registration of Immovable Properties"	Organization and operation of the Albanian Cadastral Agency (ACA), terms and procedures for the registration of immovable properties and administration of immovable properties public register.
Law No.8561 of 22.12.1999 "On expropriation and temporary use of private property for public interest"	Sets the right of Public Authority to expropriate or take in temporary use for public interest, the properties of legal entities or individuals and the safeguard of the rights and interests of the expropriated owners.
DCM No.89 of 03.02.2016 "Reference Value of Immovable Property"	The value of land affected by expropriation procedures is defined (in ALL/m ²) by the Decisions of the Council of Ministers (DCM) approving the value reference list established in accordance with the Restitution and Compensation Law

3.1.1 Key Principles of Albanian Legislation pertaining to Land Acquisition

The Albanian Constitution and Expropriation Law are generally in line with Human Rights protection principles as contained in the Universal Declaration of Human Rights. Private property is guaranteed by the Constitution (Article 41).

Property right, whatever their nature (ownership, usufruct) is expected to be registered in the Public Register (Civil Code).

The expropriation process is defined by Law 8561 of 22.12.1999. This law is generally in line with international standards of human rights and property protection, and guarantees a fair and transparent process that generally complies with International policy requirements. Its main aspects are the following:

- Expropriation is subject to public interest "in accordance with general principles of international law";
- Expropriation is subject to "fair compensation"; and
- Expropriation can be adopted only by the Council of Ministers as initiative of a central/local public agency.

While the legislation does guarantee that basic Human Rights requirements are complied with, implementation has not always been consistent with these principles and there have been occurrences of expropriation where aggrieved people had to resolve their claim

(compensation value; cadastral issue; notification process etc.) through Courts and lengthy administrative procedure.

3.1.2 Expropriation framework key principles

The Project will be considered project of public interest and Kesh will have to make a formal application which will have to be approved to confirm this. The process is described hereafter in this chapter.

Property right may be acquired by donation, inheritance, purchase, or any other classical means provided by the Civil Code. The law may provide for expropriation or limitation in the exercise of the property right only for public interest. Expropriation or limitations to a property right that are equivalent to expropriation is allowed only against fair compensation. For disagreements connected with the amount of the compensation, a complaint may be filed in court (Constitution, Art 41).

Expropriation or taking under temporary use of the private property is made only for a “public interest” which may not be achieved or protected in another manner, and always versus a fair compensation (Expropriation Law, Art. 2). Expropriation for public interest in favor of a private entity is performed in the case of investments that present public interest or have territorial extension either at national or local level, in sectors such as energy, telecommunications or infrastructure (Expropriation Law, Art. 8).

The request for expropriation is submitted by the interested investor to the ministry that covers the activity for which the expropriation is needed (competent Ministry). The application for expropriation should include the identification of properties that expropriation is requested for (indicating such properties and respective owners). The ministry establishes a special committee to follow up and implement the expropriation process. The committee examines and verifies the information indicated in the application and relevant documents attached therein. If the application meets the required criteria the committee accepts the application for expropriation by notifying the investor.

Within ten days after the acceptance notice, the ministry and the investor enter into an agreement providing for the process and conditions of expropriation, in the form of the notary deed, having attached all documents accompanying the application for expropriation.

Within ten days after execution of the said agreement, the ministry notifies directly (either by registered mail or other means of notification, having confirmation that notice is received by the addressee; in case the addressee resides abroad, the notification will be made through publication in the commune/municipality where the land subject to expropriation is located) the persons affected by the expropriation and will publish the application for expropriation in the Official Journal as well as in national and local newspapers for 14 days.

The ministry proposes to the Council of Ministers (COM) the expropriation decision not earlier than one month from the day of termination of the procedures described above. The committee further calculates the value of compensation to be paid to the persons affected by the expropriation.

The ministry submits the full file of expropriation to the COM for approval. Within thirty days after the approval of the expropriation by COM Decision, the ministry will transfer and register with the competent Cadastral Agency the ownership title for the affected land. The ownership title on the expropriated property will be registered under the name of the

investor (if such is their request), when the investor has completed the construction of the project.

3.1.3 Stakeholder Engagement

According to the Law on Expropriation, there is no definition for stakeholders. Nevertheless, two main categories are identified as stakeholders to be engaged during the expropriation process:

- Public stakeholder (Local or central Government); and
- Private stakeholders (including land owner or claimant of affected property; private investor).

Methods for stakeholder engagement, when expropriation is carried out by the government, are reflected in the Law on Expropriation. The stakeholder engagement involves PAPs only with regards to the right of appeal on ownership or compensation issues. Overall, the procedure is mainly related to the engagement of Government-level stakeholders.

3.1.4 Asset Valuation

The value of land affected by expropriation procedures is defined (in ALL/m²) by the Decisions of the Council of Ministers (DCM) approving the value reference list established in accordance with the Restitution and Compensation Law.

Valuation of the residential buildings is estimated based on average values of sale prices defined by the Albanian Cadastral Agency (ACA) as for construction land. When sale purchase indicators are not available, the evaluation is based on the method for the construction cost using as reference unit prices used by the National Housing Entity or by a Licensed person/ company. For the Valuation of industrial and agricultural constructions the methodology is based on the construction cost method, where average market prices are utilized, with depreciation applied.

The value of the agricultural land, forest, and pasture is defined in ALL/m² by the COM Decision including the price reference list (in accordance with the Restitution and Compensation Law).

The value for crops, plants, orchards, forests, and permanent nurseries is defined based on the average value of their sale price in the relevant area as indicated in the ACA register. In case ACA declares in writing not to be able to avail such price indicators, interested parties may request from the Ministry of Agriculture and Rural Development to carry out a specific technical valuation and to calculate the value of the property subject to the expropriation. In such cases, criteria used for calculation of compensation would be as follows:

- land category (level of fertility);
- situation under or above the water level;
- distance from the urban centres, and
- other related criteria.

With regard to orchard trees, the evaluation is based on costs (investment and growth expenses including amortization based on guidelines of the Ministry of Agriculture and Rural Development. Evaluation is made per each tree for the orchard trees, olives, oranges, limes, etc. and for measured surface in case of wines, nurseries and strawberries. For

annual crops the evaluation is made based on the expected production and the market value.

The valuation criteria for forest and pasture lands are the following:

- quality of said lands and their sustaining capacity;
- environmental, ecologic values and the function of meadow or forest land (productive, touristic..);
- geographical location (mountainous, seaside area etc.);
- value of the wooden and non-wooden material, medicinal plants, wild fauna etc.; and
- level of investment and infrastructure.

3.1.5 Claims and Grievance Management

The Law on Expropriation does not establish a detailed Grievance Mechanism. There are only two phases where PAP could file a complaint:

- within 14 days from the notifications, all PAPs have the chance to lodge a complaint (on price, area, ownership title) to Ministry. This is a form of complaint that may be made during the preparatory phase (the final decision on expropriation is not published); and
- claim to the competent court regarding the amount of compensation; land/building ownership (after final decision).

Parties affected by expropriation can bring actions before courts against the expropriation process. However, only compensation amounts can be challenged, but not the process per se (Expropriation Law, Art. 24). Such claims do not cause suspension of the expropriation process, but they may result in a higher compensation to be paid in case so ruled by the final judgment. Affected parties may claim higher compensation amounts than those set forth by the relevant Council of Ministers Decision authorizing the expropriation, filing actions with the court within thirty days from the notification of the said COM Decision.

Actions brought before courts by parties claiming ownership title over the immovable property subject to expropriation do not suspend the expropriation process either. Depending on the ruling, the court or the competent ministry should exchange the relevant notifications in such cases. Upon completion of the expropriation procedure the competent ministry (i.e. the one that has initiated the expropriation procedure) is obliged to place the compensation amount into a bank account opened so that the compensation can be paid in conformance to the judgment (Expropriation Law, Art. 16).

3.1.6 Registration

The Immovable Properties Register (i.e. the registry where all immovable properties and respective transactions are registered) is administrated by ACA, under the Prime Ministry. Ownership titles and other real rights (i.e. usufruct rights, use rights, emphyteusis, easement and other real rights) must be registered (Civil Code, Art. 193) at the immovable property register. Transactions should be registered within 30 days from their execution. ACA upon request of the owner or holder of a real right issues the property certificate (i.e. ownership certificate, usufruct certificate, easement certificate etc.). The date when the certificate is issued is reflected in the property records.

Lease contracts for periods of more than nine years must be registered. The contract should be a notary deed (Civil Code, Art. 197). Notarial lease contracts for periods more than one year may also be registered.

The registration of the ownership title acquired by the execution of a purchase agreement is registered upon filing of the purchase agreement (which should be in the form of a notary deed).

When the ownership title is acquired by law, final court decision or an administrative act, which includes expropriation, the register based on these acts reflects these accordingly.

3.1.7 Status of cadastre in the Project area

The municipality of Belsh, compared to other municipalities in the country, has well progressed with the registration process. Currently, the entire territory of the municipality has entered the registration process, where 80% of it has completed the registration process and 20% is in the process.

During the meeting with the authorities of Belsh Municipality and the Administrator of Fierze Administrative Unit, we were informed that the cadastral areas that include this Administrative Unit are in the registration process. Currently, the updating process is over and the documents are for processing at the Elbasan registration office (ACA).

In practice for the Project, this means that some Project affected persons might not have a formal legal land title for the land they use, but expect one. Such cases are referred to in this RF as “legalizable” land.

3.2 EBRD PR5 requirements

3.2.1 Objectives of PR5

Under EBRD’s 2019 Environmental and Social Policy, Performance Requirement 5 “Land Acquisition, Restrictions on Land Use and Involuntary Resettlement” addresses impacts of project-related land acquisition, including restrictions on land use and access to assets and natural resources, which may cause physical displacement (relocation, loss of land or shelter), and/ or economic displacement (loss of land, assets or restrictions on land use, assets and natural resources leading to loss of income sources or other means of livelihood). The term “involuntary resettlement” refers to both of these impacts and the processes to mitigate and compensate these impacts.

Resettlement is considered involuntary when affected persons or affected communities do not have the right to refuse land acquisition or restrictions on land use, other assets and natural resources, even if compulsory acquisition is used only as a last resort after a negotiated process.

The objectives of PR5 are to:

- avoid involuntary resettlement or, when unavoidable, minimise involuntary resettlement by exploring feasible alternative project designs and sites;
- avoid forced eviction;

- mitigate unavoidable adverse social and economic impacts from involuntary resettlement on affected persons by: (i) providing timely compensation for loss of assets at full replacement cost; and (ii) ensuring that land acquisition, restrictions on land use, other assets and natural resources and involuntary resettlement activities are implemented with meaningful consultation, participation, and disclosure of information, in accordance with the requirements of PR 10;
- improve, or as a minimum restore the livelihoods and standards of living of affected persons compared to pre-displacement levels; and
- improve living conditions of physically displaced persons through the provision of adequate housing (including essential services and utilities) with security of tenure at resettlement sites.

3.2.2 Key principles

3.2.2.1 Minimising the need for resettlement

Physical and/or economic displacement may have considerable impacts, some of which may be related to human rights. Not adequately addressing these risks may also increase project costs. Therefore, every effort should be made to avoid the need to resettle people and communities. If it is not considered early on and planned well, costs, time and the need for management attention are often underestimated.

3.2.2.2 Physical and economic displacement

People may be affected by land acquisition or restrictions on land use in two ways. They may lose housing, requiring them to move to another location, which is referred to as physical displacement.

They may also permanently or temporarily lose land and assets or access to land and assets, leading to a disruption of their livelihoods and loss of income, which is referred to as economic displacement. Both impacts must be mitigated in accordance with PR5. The process of relocating people, households and communities from one location to another and/or assisting them to replace their lost livelihoods is referred to as resettlement.

3.2.2.3 Performance Requirement 5

Most countries have specific laws to regulate land acquisition in the public interest, which is called the expropriation procedure. A situation in which these laws are applied (or could be applied in the future) when people do not have the possibility of refusing to sell their land/assets is referred to as involuntary resettlement.

The EBRD's Performance Requirement 5 (PR5) promotes a systematic approach to land acquisition, compensation and resettlement based on consultation and disclosure of information.

In summary, the key requirements of PR5 are for project clients to:

- Consider alternative project designs to avoid or, if not possible, minimise project-induced physical and/or economic displacement
- Develop appropriate compensation, resettlement and livelihood restoration action plans where displacement is unavoidable

- Mitigate adverse impacts from land acquisition or restrictions on affected persons' use of and access to land, physical assets or natural resources by providing compensation for loss of assets at replacement cost, prior to taking possession of acquired assets
- Ensure that compensation, resettlement and livelihood restoration activities are planned and implemented with appropriate disclosure of information, consultation, and the informed participation of those affected
- Improve or, at a minimum, restore the livelihoods, income-earning capacity and standards of living of displaced persons, including those who have no legally recognisable rights or claims to the land (who were present in the project affected area at the time of the cut-off date), to pre-project levels and support them during the transition period
- Make special provisions for assisting disadvantaged or vulnerable individuals or groups (who were present in the project affected area at the time of the cut-off date) that may be more adversely affected by displacement than others and who may be limited in their ability to take advantage of livelihood assistance and related development benefits
- Establish a grievance mechanism to receive and address in a timely fashion specific concerns about compensation and relocation that are raised by displaced persons, including a recourse mechanism designed to resolve disputes in an impartial manner.

3.2.3 PR5 Guidance note

The EBRD has developed a Resettlement Guidance and Good Practice¹ document with the aim of sharing some of the practical experiences and good practice it has gained to date on resettlement planning and implementation, the lessons learned and some useful tools. It gives examples of potential outcomes, positive and negative, which may be useful when carrying out resettlement and livelihood restoration as a result of land acquisition.

This Guidance note has been used in the development of this RF as appropriate.

3.3 Gap analysis between national legislation and EBRD requirements

The following table presents the gaps between local regulation and PR5 “Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”. The focus is on economic displacement, as physical displacement must be avoided.

¹ <file:///C:/Users/Alpage/Downloads/1552-EBRD-guidance-note-land-acquisition-restrictions-on-land-use-and-involuntary-resettlement-2.pdf>

Table 3 - Summary Gap Analysis between Albanian Legislation and PR5

Topic / Issue	PR5	Albanian Law Provisions	Gaps
Involuntary resettlement – Physical and economic displacement	<p>“Involuntary resettlement” as per the PR5 refers to physical displacement (loss of shelter) and economic displacement (loss of livelihood or access to livelihood); the term involuntary means that affected individuals or communities do not have the right to refuse land acquisition that results in displacement. This occurs in cases of: (i) lawful expropriation or restrictions on land use based on eminent domain; and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.</p>	<p>Albanian legislation, including the Expropriation Law, does not recognize “involuntary resettlement”. Issues related to land acquisition in the public interest are regulated by Expropriation Law. The law regulates the right of the state to expropriate properties of natural or juridical persons in the public interest versus fair compensation. In addition, compensation is to be provided for the devaluation of properties which are not the object of expropriation. The law regulates temporary occupation of land (e.g. for construction works, setting up construction sites, etc.), for up to 2 years, against compensation</p>	<p>The key gap is that Albanian legislation does not recognize economic displacement (I.e. loss of livelihood or access to livelihood) caused by land acquisition.</p> <p>The law recognizes affected land owners who have formal legal rights only – in areas where the cadastre is not complete, such recognition might require a prior registration procedure.</p> <p>Restrictions that result in people experiencing loss of access to physical assets or natural resources are not addressed explicitly by Albanian legislation – this is notably the case for the change or limitations of land use under the transmission line.</p>

Topic / Issue	PR5	Albanian Law Provisions	Gaps
<p>Planning process</p>	<p>Where involuntary resettlement is unavoidable, the client will engage a suitably qualified specialist to carry out a census and a socio-economic baseline assessment within a defined affected area, and assist in the preparation of the Resettlement Action Plan or Livelihood Restoration Framework.</p> <ul style="list-style-type: none"> ● The census and socio-economic baseline assessment will identify the persons who will be displaced (fully or partially) by the project, determine who will be eligible for compensation and assistance and, by setting a cut-off date, discourage inflow of people who are ineligible for these benefits. ● In the absence of national government procedures, the date of completion of the census and assets inventory represents the cut-off date for eligibility. Information regarding the cut-off date will be well documented and disseminated throughout the project area. ● Seasonal resource users may not be present in the project area during the time of the census and so special consideration should be given to the claims of these communities 	<p>The application for expropriation in the public interest should include a detailed list of properties to be expropriated, based on the ACA register (noting that the ACA register is not complete in the Project area).</p>	<p>Albanian legislation does not set out any requirements for the preparation of resettlement or livelihood restoration plans. In addition, there are no requirements in respect of consultation with persons affected or for special attention to vulnerable groups.</p>
<p>Public consultations</p>	<p>Following disclosure of all relevant information, the client will consult with affected persons and communities, including host communities, and facilitate their early and informed participation in decision-making processes related to resettlement, in accordance with PR 10:</p> <p>Meaningful consultations with affected persons and communities, local authorities, and, as appropriate, nongovernmental organizations need to be carried out</p>	<p>The PAPs are contacted in the very process of expropriation, but there is no public discussion.</p>	<p>National legislation does not require public consultation with affected persons and communities.</p>

Topic / Issue	PR5	Albanian Law Provisions	Gaps
Cut-off date	<p>In the absence of national government procedures, the date of completion of the census and assets inventory represents the cut-off date for eligibility.</p> <p>Individuals who move into the project affected area after the cut-off date are not eligible for compensation and other types of assistance. Information regarding the cut-off date should be well-documented and disseminated throughout the project area.</p>	<p>It is understood that the date of the Council of Ministers decision on expropriation is the cut-off date.</p>	<p>Notification of the PAPs needs to be ensured – all PAPs may not follow-up the news.</p>
Negotiated settlements	<p>Negotiated settlements are encouraged to help avoid expropriation and eliminate the need to use governmental authority to remove people forcibly.</p>	<p>Negotiated settlements are encouraged by the Expropriation Law. Art. 6 of the Expropriation Law provides that when the owner agrees to transfer his/her property to the state, under conditions (compensation) offered by the competent ministry, expropriation is considered completed. The owner has to inform the competent ministry within 15 days from being notified (publication) whether accepts the offer (art.16). If an agreement is not reached, after a decision on expropriation is passed by the Council of Ministers, the affected owner has the right to appeal to the court regarding the amount of compensation (art.24)</p>	<p>No gap</p>
Compensation Value and Timing	<p>Compensation for lost assets to be provided at replacement cost, usually calculated as the market value of the assets plus transaction costs related to restoring such assets (registration and transfer taxes). Depreciation of structures and assets should not be taken into account. Compensation (alternative housing and/or cash compensation) has to be provided prior to relocation.</p>	<p>Per Expropriation Law, compensation value to be based on assessment of affected properties by the Expropriation Committee and confirmed by COM Decision. This provision explicitly states that depreciation of structures and assets is to be taken into account.</p> <p>If agreement on compensation is reached, transfer of property and payment of compensation to take place within 15 days from notification by affected owner that he/she accepts the offer (art.16).</p> <p>If not, compensation is provided based on a decision on expropriation of the Council of Ministers, within a period of three months, or after the court decision (art.23).</p>	<p>Albanian legislation does not take account of transaction cost, and provides that depreciation is to be taken into account, which does not meet the Standards “replacement value” requirement.</p>

Topic / Issue	PR5	Albanian Law Provisions	Gaps
Vulnerable groups	Specific assistance for vulnerable groups.	According to law no. 9355, dated 10.03.2005 “On social assistance and services”, vulnerable persons are entitled to various forms of social welfare payments or a range of community-based services. No provisions are made for vulnerable persons in the context of expropriation.	Specific assistance for vulnerable groups is not part of the expropriation process in Albania. However, legal tools exist outside of the expropriation process to provide assistance.
Eligibility for compensation / resettlement and entitlements in case of physical displacement	PR5 distinguishes three main categories of affected people: 1- those who have formal legal rights to affected assets are eligible to full compensation at replacement cost for land and structures as applicable; 2- those who have no formal rights to affected assets at the time of the census, but who have a claim to land that is recognized or recognizable under national laws, are eligible to similar compensation as those in Category 1; 3- those who have no recognizable legal right or claim to the land they occupy are not necessarily eligible to compensation for land but should receive: (i) compensation for structures that they own and occupy and for any other improvements to land at full replacement cost; and (ii) in case of physical displacement, a choice of options for adequate housing with security of tenure and resettlement assistance.	The Expropriation Law addresses people in Category 1. The Cadaster Law addresses people in Category 2. The law no. 9232, dated 13.05.2004 “On social programs for the housing of inhabitants of urban areas” establishes a legal framework for the development of social housing programs in Albanian municipalities, which may apply to people in Category 3. The law defines the administrative regulations and procedures that will ensure the planning, management and distribution of social housing to vulnerable people, in line with their income and the level of state support.	Gaps for people in Category 3.
Grievance mechanism	A grievance mechanism should be set up as early as possible in the process, to receive and address in a timely fashion specific concerns about compensation and relocation that are raised by displaced persons and/or members of host communities, including a recourse mechanism designed to resolve disputes in an impartial manner. The grievance mechanism, process, or procedure should address concerns promptly and effectively, using an understandable and transparent process that is culturally appropriate and readily accessible to all segments of the affected communities, at no cost and without retribution.	Expropriation Law provides for the right of the affected persons to bring actions before the courts for seeking higher compensation from that defined in the decision on expropriation enacted by the Council of Ministers, but affected people cannot challenge the expropriation process <i>per se</i> . Claims do not cause suspension of the expropriation process, though they may result in a higher compensation to be paid if so decided by the competent court.	While there is no requirement in Albanian law to establish an extra-judicial grievance mechanism, this does not contradict the process outlined in Albanian law as long as affected people can keep on enjoying their constitutional right to address any claim to the competent court as they see fit.

Topic / Issue	PR5	Albanian Law Provisions	Gaps
Additional assistance to PAPs	<p>It is necessary to provide assistance either during construction. Particular attention is to be paid to the needs of poor and vulnerable individuals and groups.</p> <p>Either for the expropriated PAPs the client should support technically the PAPs in order to take the compensation.</p>	<p>No particular legal provision</p>	<p>It is necessary to provide assistance either during construction. Particular attention to vulnerable individuals and groups.</p>
Information disclosure and public information	<p>The client should summarize the information contained in the Resettlement Action Plan or Livelihood Restoration Framework for public disclosure to ensure that affected people understand the compensation procedures and know what to expect at the various stages of the project (for example, when an offer will be made to them, how long they will have to respond, grievance procedures, legal procedures to be followed if negotiations fail). Consultations will continue during the implementation, monitoring and evaluation of compensation payment and resettlement.</p>	<p>The Expropriation Law obliges the Ministry to notify persons affected directly (either by registered mail or other means of notification having confirmation that notice is received by the addressee; in case the addressee resides abroad, the notification will be made through publication in the commune/municipality where the land subject to expropriation is located) and to publish during an entire week the application for expropriation in the Official Journal as well as in national and local newspapers.</p> <p>Within fifteen days after the last date of the publication, the person's subject to expropriation should inform the ministry on their claims related to the properties affected by the expropriation.</p>	<p>Apart from notifications to affected people, there is no requirement in Albanian law to consult and to disclose documentation publicly. However, such consultation and disclosure is not prohibited and can be accommodated as a specific measure.</p>

4 Affected people and assets

4.1 Categories of displaced persons

Based on the field visit, the Project is considered to be feasible without involuntary physical resettlement, because (i) there is no house in the large land plot that is planned to be acquired for the PV site and its substation, and (ii) the transmission lines to be built and access roads to be rehabilitated can be designed and implemented in a way that avoids involuntary physical resettlement.

Consequently, the likely categories of displaced persons include **economic displacement only, and no physical displacement**.

The likely categories of persons subject to economic displacement are presented in the following table.

Table 4 - Likely categories of displaced persons

<p>Category 1: those who have formal legal rights to the land</p>	<ul style="list-style-type: none"> • category 1.1: land owners with a legal land title, who are also the user of the land in question • category 1.2: land owners with a legal land title, who are not using the land in question • category 1.3: land users who have a formal lease agreement with the formal land owner
<p>Category 2: those who do not have formal legal rights to land at the time of the census, but who have a claim to land that is recognised or recognisable under national laws</p>	<ul style="list-style-type: none"> • category 2.1: persons who inherited land from a legal owner but did not formalize the change of ownership (land title still in the name of the deceased owner), with potentially several inheritors for a same land plot. According to the Albanian Civil Code, Inheritance Chapter, the heirs in this case are not recognized as owners. The deceased owner appears as registered in the real estate registration office (state cadastre), until the heirs obtain an Inheritance Act with a Court decision. Then heirs have to divide the property by mutual agreement with a notarial deed or a court decision and in the registration office the registration is done for each heir. Only after performing these actions, the heirs can be recognized as the owner and receive compensation. • category 2.2: persons who inherited land from a person who did not have formal legal rights on this land (e.g. family land that was transmitted through generations without being ever formally registered). In this case, according to the Albanian legislation, the heirs must prove that they are heir. Verification is done with legal documents or with a court decision. After this, the property is restituted or compensated for the heirs by Decision of the Property Restitution and Compensation Commission. In this decision, the share for each heir is determined. Then they have to divide the property by agreement with a notarial deed or a court decision and in the registration office the registration of the share for each heir is carried out. Only after performing these actions, the heirs are recognized as the owner and can receive compensation. • category 2.3: land users who have a verbal agreement only with the formal land owner • category 2.4: persons who, at the time of the census, are in the process of registering a land plot that they inherited or purchased, and therefore do not have a formal title yet.

Category 3: those who have no recognisable legal right or claim to the land they use	<ul style="list-style-type: none"> • category 3.1: persons who farm a given land plot without any form of agreement with the formal land owner • category 3.2: persons who use land for grazing without any form of agreement with the formal land owner.
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The following categories are not considered in the RF:

- persons with a business that would be economically impacted by the visual impacts caused by the presence of the PV site and transmission line (e.g. eco-tourism, tourism, outdoor recreational activities, etc...): no such businesses were identified in the Project area, which is not a touristic part of Albania.
- hunters who use the PV site area, because (i) hunting is done as a leisure only, not for livelihood, and (ii) hunting is subject to a global ban in Albania – there should be no hunter in the area.

4.2 Types of affected assets and livelihoods

The Project can be built so as to avoid any impact on buildings (residential or not).

The most likely type of impact is on crops and plants that are cultivated. The following ones were identified during the field visit:

Alfalfa	Transmission line
Corn	Transmission line
Cultivated tobacco	Transmission line
Fig trees	Transmission line
Olive grove	Transmission line PV substation site
Origanum fields	Transmission line
Vineyard	Transmission line
Wheat	Transmission line
Ploughed, prepared for winter crops	Transmission line PV substation site

Of important note, all of these cultivated plants have a short size and therefore do not need to be cut under the cables of the transmission line. Olive trees and fig trees are just a few meters high.

The only assets identified in the fields were drip irrigation pipes. There are some technical buildings (e.g. stables) in the fields – they can be easily avoided.

4.3 Vulnerable person categories

Vulnerable people are, as defined by EBRD’s 2019 E&S policy “people or groups of people who may be more adversely affected by project impacts than others by virtue of characteristics such as their gender, gender identity, sexual orientation, religion, ethnicity, indigenous status, age (including children, youths and the elderly), physical or mental disability, literacy, political views, or social status. Vulnerable individuals and/or groups may also include, but are not limited to, people in vulnerable situations, such as people living below the poverty line, the landless, single-headed households, natural resource

dependent communities, migrant workers, refugees, internally displaced people, or other displaced persons who may not be protected through national legislation and/or public international law.”

In the Project area and following the field visit, the categories of persons considered to potentially meet this vulnerability criterion are described in the table below. It is important to note that this table only presents the risks of vulnerability in relation to the Project’s land acquisition process.

Table 5 - Vulnerable persons/groups categories

Category	Nature of vulnerability
<ul style="list-style-type: none"> • PAPs who do not have a formal land title (land not registered, or registered but in the name of a previous owner) 	<ul style="list-style-type: none"> • Risk of not being compensated for lost land.
<ul style="list-style-type: none"> • Illiterate persons • Persons living with a disability (physical or mental) • Socially marginalized persons 	<ul style="list-style-type: none"> • Difficulty accessing or understanding information • Difficulty expressing grievances • Difficulty accessing compensation or opportunities • Difficulty managing compensation and increased risk of theft.
<ul style="list-style-type: none"> • Widowed, divorced or single women (migrant husbands or other status) • Elderly persons with limited mobility 	<ul style="list-style-type: none"> • Difficulty accessing information or voicing grievances, if inclusive stakeholder engagement methods are not used • Difficulty accessing compensation or opportunities • Increased exposure to violence/harassment
<ul style="list-style-type: none"> • Remote stakeholders (landowners that live abroad or far from the Project area) 	<ul style="list-style-type: none"> • Difficulty accessing information or expressing grievances • Difficulty accessing compensation.

5 Key compensation and assistance principles

5.1 Key principles of compensation, resettlement and livelihood restoration

The key principles of compensation, resettlement and livelihood restoration to be followed by the Project in order to meet both the National Legislation and EBRD PR5 requirements are:

- The present Resettlement Framework will be subject to a public consultation in the Project area. It will then be developed into a plan that will be implemented by KESH, so that the land and easement acquisition and access for the project is carried out in compliance with Albanian law and EBRD PR5;
- KESH will develop the Project so that any involuntary physical displacement is avoided;
- KESH will require the transmission line design team to (i) deliver a Transmission line route that, confirmed by a comprehensive site visit, avoids sensitive environmental/social receptors as required by the ESAP, and (ii) minimize involuntary economic displacement where unavoidable, notably by:
 - Using existing roads and tracks as much as possible rather than creating new ones;
 - Adjusting the towers height so that crops and olive trees can be preserved under the TL;
 - Preferring abandoned farmland for the layout of towers.
- All impacts on land ownership, land use and livelihoods will be compensated at replacement value;
- Land required on a permanent basis will be preferably purchased from its current owners;
- Land use restrictions under the transmission lines will be subject to compensation calculated on the basis of the lost land value.
- All affected land users, whether formal or not, will be compensated;
- Land only required on a temporary basis will not be acquired but will be leased based on voluntary agreements from land owners and handed back after end of construction and reinstatement;
- Involuntary economic displacement will be compensated at replacement value;
- Affected people will have access to the Project's grievance mechanism, including a first tier of internal grievance review by The Albania – KESH 50MW PV project, with the possibility for aggrieved individuals to resort to a second tier of independent review of the grievance. Aggrieved individuals will have anytime the possibility to access judicial system;
- Each land acquisition and compensation will be documented (location map, size, nature of compensation and amounts) and included in an agreement signed by KESH and the PAP. In case of dispute or litigation, the payable amounts will be secured by KESH on a dedicated escrow account until the court case is solved.
- Vulnerable people will be systematically identified and specifically assisted as needed.

5.2 Assistance to vulnerable persons

The categories of vulnerable persons listed in chapter 4.2, Table 5, do not correspond to or include a group of persons that could be readily identified. This means that vulnerable persons will have to be identified one by one, as land needs for the Project are identified, and the required assistance will have to be identified directly with the persons in question.

Working with relevant local authorities and using simplified questionnaires during the census, the Project should seek to identify all vulnerable PAP and ensure that no vulnerable people are disproportionately affected by the land acquisition and livelihood restoration process. The following table describes the expected types of assistance:

- assistance during the land acquisition and negotiation process, including, at the stage of plot and landowner identification, specific individual meetings to explain eligibility criteria and entitlements; the clauses of compensation agreements; and grievance avenues;
- assistance in the payment process (i.e. provision of transport to the bank for compensation payment in support of physically handicapped or chronically ill people, support in securing powers of attorney for those unable to understand or sign their compensation agreements, individualized support in the payment procedure, etc.);
- where specific benefits provided by government or other institutions may exist that affected vulnerable people are unaware of or have been unable to secure, review with the relevant organizations of eligibility for such social benefits, and assistance in submitting applications, for identified vulnerable people to be able to benefit from assistance opportunities.

Table 6 – Types of assistance for vulnerable persons

Category	Type of assistance
<ul style="list-style-type: none"> • PAPs who do not have a formal land title (land not registered, or registered but in the name of a previous owner) 	Regularization of the cadastre data, through formal registration of the impacted land plot at the PAP's, before acquisition by KESH for the Project. All the costs this regularization must be covered by KESH (the PAP should not have any expense).
<ul style="list-style-type: none"> • Illiterate persons • Persons living with a disability (physical or mental) • Socially marginalized persons 	Social assistant mobilized to help these persons through the entire process, with the presence of a person trusted by the PAP if he/she wishes so: <ul style="list-style-type: none"> • On-site identification of the land planned to be acquired by KESH
<ul style="list-style-type: none"> • Widowed, divorced or single women (migrant husbands or other status) • Elderly persons with limited mobility 	<ul style="list-style-type: none"> • Information about the whole land acquisition / livelihood compensation process • Assistance during compensation negotiation/settlement. • Verification with the PAP that any payment is planned and made on a bank account in the name of the PAP or of the legal guardian.
<ul style="list-style-type: none"> • Remote stakeholders (landowners that live abroad or far from the Project area) 	<ul style="list-style-type: none"> • Compensation amount documented and paid on an escrow account until the PAP is identified and met.

6 Eligibility

6.1 Eligibility principles

The following eligibility principles apply to the Project:

- All persons (including physical or moral persons such as individuals, households, companies, government bodies) exposed to a direct loss of land or livelihood as a result of the Project are eligible to a compensation, taking into account the categories described in Table 4.
- KESH will establish a cut-off date for eligibility (i) after the Project footprint is known, but (ii) before a census is undertaken. Different cut-off dates can be used for the PV site (already known) and for other impacts (TL towers, road widening...). All assets (including land or fixed structures) and livelihoods that are existing at the time of the cut-off date are eligible.

KESH shall inform affected persons of the cut-off date. Information regarding the cut-off date will be well documented and will be disseminated throughout the project area.

KESH will not be required to compensate opportunistic settlers or land users who encroach on the project area after the cut-off date.

6.2 Private land

The following types of privately owned land are anticipated in the Project area:

- Private agricultural land, mainly in Kajan Administrative Unit
- Land in use or occupied
- Fruit or olive land owned, rented or occupied
- Unoccupied land²

Where the owner and the user is the same individual, this person will receive all elements of compensation. Where land is farmed by a land user separate from the landowner, the share between the landowner and the land user will be the following:

- compensation for land to landowner;
- compensation for fixed assets lost as a result of the Project to their owner ;
- compensation for the relocation of movable assets to their owner ;
- compensation for land rental (if applicable), land preparation (ploughing) or crops/plants to land user;
- No compensation other than the land compensation for unoccupied land.

6.3 Municipal and other public land

The following types of publicly owned land are anticipated in the Project area:

² Land is considered unoccupied if it is not cultivated and not ploughed.

- Public land owned by Belsh Municipality or Administrative Units: agricultural land, pasture land, forest land and barren land
- Forest land (state property)

Where public land is used by its owner or is unoccupied, the owner will be directly compensated. According to Albanian law, in case of expropriation, the local government is treated as a private legal entity and should therefore receive a compensation when its land is transferred to another public entity. Of not, practice has shown that between the entity requesting expropriation and the local government (municipality), agreements can be made, for example, for making investments on behalf of the municipality or administrative unit by the requesting entity, in exchange for expropriation. For example, building or widening a road, maintaining a road, building a bridge, etc. This is at the discretion of the two public entities. In case of expropriation, the value of the expropriation is calculated taking into account the prices determined by the government's decision.

Where municipal or other publicly owned land is used by a private farmer, this land user will receive a compensation based on the following criteria:

- compensation for land to the public landowner;
- compensation for fixed assets lost as a result of the Project to their owner ;
- compensation for the relocation of movable assets to their owner ;
- compensation for land rental (if applicable), land preparation (ploughing) or crops/plants to land user;

6.4 Orphan land

Where a plot that is wider than the construction corridor is acquired, the occupation of the part of this plot located in the construction corridor may leave sections of land on either side that will not be required for the Project. Agricultural activities or constructability on these sections of land could in some cases not be continued, for example where the remaining part will be too small to make cultivation economically worthwhile or becomes inaccessible. Such a situation is known as “Orphan Land”.

Article 18 of the Albanian Law on expropriations "Compensation for the depreciation value of the property" provides for the expropriation of Orphan Land, defined as the portion of the land plot that is not directly impacted by the Project but rendered uneconomic, unviable and/or inaccessible.

Whether a parcel qualifies as “orphan land” should be reviewed case-by-case, based on a request lodged by the landowner and/or land user. The following criteria will be considered in this review:

- size, dimensions and shape of the orphaned part of the plot;
- access restrictions and whether these will only last for the duration of the construction period or may be permanent (which is not anticipated to occur);
- size and nature of mechanical equipment typically used for cultivation on this plot and whether such equipment reasonably can be used given the size, shape and dimensions of the orphaned part of the plot; and
- potential restrictions to irrigation or drainage during the construction period.

During the design of the transmission line, it will be the designer's duty to avoid creating orphan land plots, as much as possible. Where unavoidable, the compensation for orphan land, once recognized as such, will be based on the same entitlements and compensation rates as the main affected piece of land.

6.5 Easements

The land located under the transmission line (between towers) will be subject to a long term easement that is not formally registered in the cadastre:

- The land under the transmission line remains the property of the owner, private or state.
- KESH does not acquire the land under the transmission line.
- The KESH has no “right of way” registered in the cadastre office, however the legislation provides KESH with a right of access to such land, for O&M or repair purposes.

The legislation defines the applicable rules under the transmission line as such:

- The owner cannot construct buildings under the cable. The local authority does not give building permits, meanwhile the owners can plant grain or vegetable but no fruit trees. The legal document that defines the obligations/interdictions to be followed by the land owner under the cable is Government Decision no. 482, dated 17.6.2020 For the approval of the technical rule "On technical conditions and guaranteeing the safety of high-voltage power lines above 1 kV"
- During operation, KESH has the legal right to enter the land for maintenance/repair purposes. This right is ensured by the "Civil Code", Article 278.
- Article 278 of the Civil Code obliges KESH to compensate for the damages it causes in cases of interventions for maintenance or repairs.

This calls for the following two comments:

- Firstly, it is unlikely that all stakeholders along the transmission line route are aware of the legislation and their rights & obligations in relation to the transmission line. This will be covered by disseminating information directly to the relevant stakeholders along the TL route, once the TL route is defined and before its construction (this action is included in the SEP).
- Secondly, it is important to note that there is a legal distinction, within the cadastre, between agricultural land, residential land (literally named "plot of land"), meadows, pastures, vineyards and fruit crops: these are cadastral elements that have special legal definitions, as a result there are differences between them even in the cadastral registers and cadastral maps. There are differences in their value – in particular residential land has a higher value than agricultural land: consequently, a residential land plot that becomes no more constructible because of the transmission line being above it would be a loss of asset for its owner, and would be eligible to a compensation. Of note, it will be easy for KESH to identify residential land (the information is readily available at the cadastral service) and avoid such land when designing the Transmission Line route.

6.6 Surveys, census and cut-off date

Once identified, the eligible PAPs will be subject to a systematic (i) socio-economic survey and (ii) census of the affected assets and livelihoods.

The objective of the socio-economic survey will be to provide a baseline that can be referred to in case an audit of livelihoods need to be undertaken in future. These socio-economic surveys will be limited to PAPs.

The Albanian Law No 8561 on expropriations does not expressly define a "cut-off date". But it is understood that after the preparation of the Government Decision document and sending it to the Council of Ministers for approval, requests from people who claim to be expropriated are not accepted.

Thus, the starting date of the socio-economic survey and census of persons and inventory of assets/livelihoods affected by the Project should be considered as the cut-off date.

The report on the affected assets/livelihoods surveys shall be signed off by the PAPs. The date of beginning of census will be considered as cut-off date. Before the census, the PV project will publish an information about the census and cut-off date in local newspapers, informing all owners and users. The cut-off date will also be publicly disclosed on notice boards in local communities and relevant municipalities and at consultation meetings, with an accompanying explanation. The public announcement will also be posted, as necessary, on frequently visited locations throughout the affected communities.

7 Entitlements matrix

To entitlement matrix shown in the following table applies to the Project.

Table 7 - Entitlement Matrix

Type of loss	Entitled person	Compensation policy
Land acquired by the Project (including orphan land if any)	Owner with formal title	Cash compensation at replacement costs for the land, equipment relocation and installation, and all improvements on land (such as irrigation, levelling, ploughing) with all costs of resettlement and administrative fees needed for transfer of ownership rights
	Legalizable owner without formal title	Assistance to formalize ownership at no cost to the PAP + same compensations as an owner with formal title
	Lessee with valid written or verbal lease agreement	Compensation for all improvements on land (such as irrigation, levelling, ploughing). Compensation will be paid at replacement cost. + Costs of equipment relocation and installation + Assistance to identify replacement land for lease
	Lessee without formal agreement	If vulnerable, persons with no legalizable rights who lose access to land will be provided with assistance to identify alternative land with security of tenure
Residential land not acquired by the Project, but located under the transmission line (including orphan land if any)	Owner with formal title	Cash compensation for the loss of land value resulting from the conversion of residential land into agricultural land, including all administrative costs. Since the Albanian law does not provide the expropriation of land under transmission lines, this compensation can, like other compensations required by EBRD but not by the Albanian law, be negotiated between SEA and the owners, at KESH request and taking into account the measures described in the present report for bridging the gaps between Albanian Law provisions and PR5.
	Legalizable owner without formal title	Assistance to formalize ownership at no cost to the PAP + same compensations as an owner with formal title
Loss of annual crops, for which land was prepared (ploughed or weeded, not necessarily seeded) that could not be harvested prior to land repossession	Owners of crops	Cash compensation which equals the market value of lost crops + the value of investments and work needed to replace such crop
Loss of perennial plants and trees (fruit trees, vineyards and medicinal plants)	Owners of plants	The right to collect fruits/plants + Cash compensation at replacement cost on the basis of sort, year and productive value, including the value of time needed to produce such crop, as well as costs of possible investment (work and labor force), to plant a new vineyard, orchard or similar, till the moment it reaches the full fructuous potential.

Type of loss	Entitled person	Compensation policy
Loss of access to informal grazing land (PV site)	Sheep owner	Identification of the dependence/utilisation of the PV site for grazing, and assistance to liaise with the municipality to identify alternative lands. Alternatively, KESH can provide access to the shepherd for grazing within the PV site , provided this is done after a safety training of the shepherd, and grazing is allowed only at the end of the summer, after the tortoises and birds reproduction period.
Affected vineyards and orchards not yet fruit bearing		Cash compensation for the investment in planting a new vineyard or orchard (labor, seedlings), including the value of time needed to reproduce a replacement vineyard or orchard.
Wood mass		The replacement cost determined based on the value of the “wood on the stump” at market value
Forests without mature wood mass		Cash compensation for the investment in planting a new forest, including the value of time needed to reproduce a replacement forest
Nursery not yet yielding		Cash compensation for the investment in planting material (nursery and other reproductive material) and land preparation / planting cost.

8 Compensation rates and livelihood restoration

8.1 Compensation rates

KESH will undertake a Study on Compensation Values in order to determine the appropriate compensation rates for land and livelihoods, at the time of the census. The value of the properties replacement is defined as follows:

- Agricultural land, the market value of land that has the same productivity or land located in the vicinity of the affected land plus the cost of land preparation to reach or exceed the level of land affected plus the cost of all registration and transfer taxes, these in cases that compensation in-kind is not possible, but either in this circumstances the value for the resettlement should be calculated the same;
- Land in Urban Areas, the market value of the land of the same area and destination, with similar or better facilities of public infrastructure and services, is preferably located near the affected land, plus the cost of all registration and transfer taxes, these in cases that compensation in-kind is not possible, but either in this circumstances the value for the resettlement should be calculated the same; and
- Crops – plants: the market value of the lost production will form the basis for the compensation rates, plus all work / investment expenses to prepare agricultural land until the same production potential is reached (for example, if productive olive trees are cut, the value of the lost production until the replaced olive trees reach the same production capacity.
- Land use restrictions (e.g. under the transmission line): cash compensation for the loss of land value resulting from the conversion of residential land into agricultural land, including all administrative costs..

All “market values” must be defined on the basis of actual market values at the time of the census, taking into account seasonal fluctuations.

8.2 Livelihoods restoration

KESH will mobilize a social assistant who will be part of the socio-economic survey and census team, in charge of (i) identifying vulnerable persons, and (ii) identifying any help a particular affected person would need to restore its livelihood: this may include (i) support identifying a new land plot to continue agricultural activities for those who would lose a substantial part of the land they use, or (ii) support to seek or be trained in alternative sources of livelihood.

It is likely that only some PAPs will need such assistance: the decision to provide such assistance will be made jointly by the social assistant and the resettlement expert. Particular attention will be paid to PAPs who are in poverty and would be affected by any loss of livelihood, as well as to PAPs who, for any particular reason, would have difficulties restoring a livelihood loss by themselves.

9 Organisational arrangements

9.1 Roles and responsibilities for the legal (expropriation) procedure

KESH has a dedicated Administrative Unit (with experts) whose role is to prepare the request documents for administrative processes such as the expropriation. These experts are familiar with the requirements of the Albanian law.

When it comes to expropriation, as required by the law 8561 on expropriations, this Administrative Unit has to submit a "Request for expropriation" to the State Expropriation Agency (SEA). This "Request for expropriation" includes a "Preliminary assessment of the objects to be expropriated and the amount of compensation that is foreseen for each private owner".

The State Expropriation Agency with its experts checks and approves the "Request for expropriation". When all documents have been completed according to the law, the State Expropriation Agency prepares a draft Government decision.

Once the Government Decision is approved, it is published in the Official Gazette, and the land becomes the property of KESH.

9.2 Roles and responsibilities to ensure compliance with PR5

In order to ensure compliance with EBRD PR5, KESH will need to mobilize a "PR5 Consultant", including:

- 1 resettlement expert familiar with PR5 or PS5 requirements, to ensure a smooth preparation and implementation of the Resettlement Plan as per the present RF.
- 1 valuation expert, assisted by a social surveyor – to conduct the census and define the compensation rates.
- 1 social assistant to identify and manage vulnerable persons.

10 Time frame: technical, legal, PR5 and stakeholder engagement steps

Step	Technical work	Administrative procedure	PR5 procedure	Stakeholder engagement needs
1			Mobilization of a "PR5 Consultant" (see chapter 9.2)	
2	<p>PV site, substation and TL route design, including:</p> <ul style="list-style-type: none"> • Avoidance of farmland and woods as per ESAP action 6.2. • Avoidance or minimization of residential land under the transmission line. • Avoidance or minimization of orphan land. 			Public consultation on the Resettlement Framework (see the SEP)
3				Cut-off date (beginning of the census) notification
4		<ul style="list-style-type: none"> • Joint census by KESH experts and PR5 Consultant to meet both the Albanian legislation and PR5 requirements. Census + Study on Compensation Values. • Participation of the social assistant to identify vulnerable persons and define support/assistance measures where needed. 		Direct engagement with PAPs
		<p>Negotiation with the PAPs.</p> <p>Note: Negotiated settlements are the competence of the State Expropriation Agency and Art. 6 of the Expropriation Law provides that when the owner agrees to transfer his/her property to the state, under conditions (compensation) offered by the competent ministry, expropriation is considered completed". SEA is part of or under the Ministry of Infrastructure and Energy.</p> <p>In the case of the Project, in the documents of the request for expropriation, KESH will send to SEA a preliminary assessment of the property and the value of the expropriation, which will take official value after verification and approval by SEA. Negotiations will then be done by SEA with the owners.</p>		Direct engagement with PAPs
5		Land titles regularization (where needed)		

6		Writing of the Request for Expropriation	Writing of the Resettlement Plan, as per EBRD PR5 guidance (including Annex 2)	
		The two documents must refer to the same compensation rates, amounts and PAPs		
7		Review by the State Expropriation Agency with its experts checks and approves the "Request for expropriation". When all documents have been completed according to the law, the State Expropriation Agency prepares a draft Government decision.		
8		The Government Decision is approved, and published in the Official Gazette.		
9		Land ownership is ready to be transferred to KESH		Direct engagement with PAPs
10		Payment of compensations by KESH		
11		When payments are made, the Albanian Cadastral Agency registers the changes of ownership		

11 Monitoring and reporting

The preparation of the Resettlement Plan and its implementation will be monitored and reported in quarterly reports to EBRD. The following table will be used to report on the progress of the Resettlement Plan implementation to EBRD:

Table 8 - Engagement with PAPs: monitoring indicators

Indicator	Over the reporting period	Total from the beginning, including this reporting period
Number of public meetings		
Number of direct engagement with PAPs		
Number of queries received		
Number of queries closed		
Average time to respond to queries		
% of queries that were responded late		
Number and % of queries that triggered the grievance mechanism		
Number of court cases: launched ongoing closed		

Table 9 - Resettlement Plan implementation: monitoring indicators

Indicator	Over the reporting period	Total from the beginning, including this reporting period
Number of PAPs that were engaged with: % of the total number of PAPs:		
Number of PAPs whose land/livelihoods were subject to census		
Number of payments made To PAPs On escrow account Total		
Number of identified vulnerable PAPs: Percentage of vulnerable PAPS with whom assistance was agreed Percentage of vulnerable PAPS to whom assistance was provided		