|  |
| --- |
| triangolo rinaA screenshot of a computer  Description automatically generated |
|  |
| **Rezolv Energy**  **Silistra District, Bulgaria** |
|  |
| St. George PV Plant |
|  |
| Livelihood Restoration Plan |
|  |
| **Doc. No. P0041765-1-H1 Rev. 2 – October, 2024** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Rev.** | **Description** | **Prepared by** | **Checked by** | **Approved by** | **Date** |
| 2 | Final draft LRP | I. Gulakov, R. Mirtcheva | I. Gulakov, A. Martella | B. Grosso | 29/10/2024 |
| 1 | Draft LRP | I. Gulakov, R. Mirtcheva, T. Nikolaeva, M. Mirtchev | I. Gulakov, A. Martella | B. Grosso | 08/10/2024 |
| 0 | Preliminary LRP | I. Gulakov, R. Mirtcheva, T. Nikolaeva, M. Mirtchev, O. Ozel, S. Spector | I. Gulakov, A. Martella | B. Grosso | 23/08/2024 |

|  |
| --- |
| **RINA Consulting S.p.A.** |Società soggetta a direzione e coordinamento amministrativo e finanziario del socio unico RINA S.p.A.  Via Cecchi, 6 - 16129 GENOVA | P. +39 010 31961 | rinaconsulting@rina.org | www.rina.org  C.F./P. IVA/R.I. Genova N. 03476550102 | Cap. Soc. € 20.000.000,00 i.v. |
| All rights, including translation, reserved. No part of this document may be disclosed to any third party, for purposes other than the original, without written consent of RINA Consulting S.p.A. |

Table of contents

Page

[LIST OF APPENDICES 2](#_Toc181096784)

[LIST OF TABLES 3](#_Toc181096785)

[LIST OF FIGURES 3](#_Toc181096786)

[ABBREVIATIONS AND ACRONYMS 4](#_Toc181096787)

[EXECUTIVE SUMMARY 6](#_Toc181096788)

[1 INTRODUCTION 9](#_Toc181096789)

[2 PROJECT DESCRIPTION 11](#_Toc181096790)

[2.1 Overview 11](#_Toc181096791)

[2.2 Key Parties 13](#_Toc181096792)

[3 REGULATORY AND INSTITUTIONAL FRAMEWORK 14](#_Toc181096793)

[3.1 NATIONAL REQUIREMENTS AND INSTITUTIONAL FRAMEWORK 14](#_Toc181096794)

[3.1.1 Overview 14](#_Toc181096795)

[3.1.2 Applicable Procedures for Land Acquisition and Establishment of Easement Rights 15](#_Toc181096796)

[3.2 INTERNATIONAL STANDARDS 18](#_Toc181096797)

[3.2.1 IFC Performance Standards 18](#_Toc181096798)

[3.2.2 EBRD Performance Requirements 19](#_Toc181096799)

[3.3 GAP ANALYSIS – THE IFC AND EBRD STANDARDS AGAINST NATIONAL REQUIREMENTS 19](#_Toc181096800)

[4 OVERVIEW OF THE COMPLETED LAND ACQUISITION PROCESS FOR THE PROJECT 25](#_Toc181096801)

[5 PROJECT LAND REQUIREMENTS AND IDENTIFICATION OF IMPACTS 26](#_Toc181096802)

[5.1 LAND REQUIREMENTS 26](#_Toc181096803)

[5.2 ECONOMIC DISPLACEMENT IMPACT 28](#_Toc181096804)

[5.3 IMPACT ON PUBLIC INFRASTRUCTRE 31](#_Toc181096805)

[6 BASELINE DATA COLLECTION METHODOLOGY 32](#_Toc181096806)

[6.1 DESKTOP ANALYSIS 32](#_Toc181096807)

[6.2 PRIMARY DATA COLLECTION 32](#_Toc181096808)

[6.3 SCOPE OF THE PRIMARY DATA COLLECTION 34](#_Toc181096809)

[6.4 SURVEY TEAM 36](#_Toc181096810)

[6.5 DATA LIMITATIONS 37](#_Toc181096811)

[7 SOCIOECONOMIC PROFILE OF COMMUNITIES AND AFFECTED PEOPLE 38](#_Toc181096812)

[7.1 Overview of Communities 38](#_Toc181096813)

[7.2 Socioeconomic Characteristics of Affected Households and Organisations 39](#_Toc181096814)

[7.2.1 Gender and Age Distribution 40](#_Toc181096815)

[7.2.2 Level of Education 42](#_Toc181096816)

[7.2.3 Residency Status and Household Size 42](#_Toc181096817)

[7.2.4 Employment, Income Sources & Expenditures 42](#_Toc181096818)

[7.2.5 Affected organisations 46](#_Toc181096819)

[8 STAKEHOLDER ENGAGEMENT 47](#_Toc181096820)

[8.1 Objectives and Principles 47](#_Toc181096821)

[8.2 Previous Stakeholder Engagement 47](#_Toc181096822)

[8.2.1 Community Liaison Officer 47](#_Toc181096823)

[8.2.2 Completed Stakeholder Engagement Activities 48](#_Toc181096824)

[8.3 LRP-Related Stakeholder Engagement 50](#_Toc181096825)

[8.4 Gender Aspect of Stakeholder Engagement 52](#_Toc181096826)

[9 GRIEVANCE MECHANISM 54](#_Toc181096827)

[9.1 Overview 54](#_Toc181096828)

[9.2 Objectives 54](#_Toc181096829)

[9.3 Gender Based Violence and Harassment 54](#_Toc181096830)

[9.4 Grievance Management 54](#_Toc181096831)

[9.4.1 Stage 1: Submission 55](#_Toc181096832)

[9.4.2 Stage 2: Receipt/Acknowledgement 55](#_Toc181096833)

[9.4.3 Stage 3: Eligibility Screening and Categorisation (up to 5 working days) 56](#_Toc181096834)

[9.4.4 Stage 4: Investigation and Response 56](#_Toc181096835)

[9.4.5 Stage 5: Resolution Monitoring and Close-out 57](#_Toc181096836)

[10 COMPENSATION FRAMEWORK 58](#_Toc181096837)

[10.1 Approach to Compensation 58](#_Toc181096838)

[10.2 Valuation of Assets and Determination of Compensation Amount in Accordance with National Legislation and the IFC PS5 59](#_Toc181096839)

[10.2.1 Land 59](#_Toc181096840)

[10.2.2 Trees and Perennial Crops 62](#_Toc181096841)

[10.2.3 Annual Crops 64](#_Toc181096842)

[10.2.4 Structures 64](#_Toc181096843)

[11 ELIGIBILITY AND ENTITLEMENTS 66](#_Toc181096844)

[11.1 Eligibility 66](#_Toc181096845)

[11.2 Cut-Off Date 66](#_Toc181096846)

[11.3 Entitlement Matrix 66](#_Toc181096847)

[12 LIVELIHOOD RESTORATION 75](#_Toc181096848)

[12.1 Approach to Livelihood Restoration 75](#_Toc181096849)

[12.2 Livelihood Profile of Affected People 75](#_Toc181096850)

[12.3 Livelihood Restoration Measures 76](#_Toc181096851)

[12.4 Delivery Partners 77](#_Toc181096852)

[13 VULNERABLE PERSONS 78](#_Toc181096853)

[13.1 Identification of Vulnerable People and Their Characteristics 78](#_Toc181096854)

[13.2 Vulnerability Assistance 79](#_Toc181096855)

[14 MONITORING AND EVALUATION 80](#_Toc181096856)

[14.1 Internal Monitoring 80](#_Toc181096857)

[14.2 External Monitoring 82](#_Toc181096858)

[15 IMPLEMENTATION SCHEDULE 84](#_Toc181096859)

[16 ROLES AND RESPONSIBILITIES 86](#_Toc181096860)

LIST OF APPENDICES

[Appendix A: Main Questionnaire](#_Toc181097366)

[Appendix B: Guides for Focus Group Discussions and Interviews](#_Toc181097367)

[Appendix C: Leaflet (English and Bulgarian Versions)](#_Toc181097368)

LIST OF TABLES

Page

[Table 2‑1: Plant Subsites’ Total Installed DC and Maximum AC Capacity 12](#_Toc181096749)

[Table 3‑1: Gap Analysis between the IFC / EBRD Standards and National Requirements 20](#_Toc181096750)

[Table 5‑1: Land Requirements for the PV Site 26](#_Toc181096751)

[Table 5‑2: Land Requirements for the Dorostol OHTL 27](#_Toc181096752)

[Table 5‑3: Land Requirements for the Pelikan OHTL 28](#_Toc181096753)

[Table 5‑4: The Project Economic Displacement Impact – Summary Information 29](#_Toc181096754)

[Table 6‑1: Focus Groups and Interviews Conducted during September 16-20, 2024 33](#_Toc181096755)

[Table 6‑2: Sampling for the Socioeconomic Survey and Asset Inventory 34](#_Toc181096756)

[Table 6‑3: Approach to Focus Group Discussions and Interviews 35](#_Toc181096757)

[Table 7‑1: Demographic Details of the Communities 38](#_Toc181096758)

[Table 8‑1: Conducted Stakeholder Engagement Activities 48](#_Toc181096759)

[Table 8‑2: LRP-related Stakeholder Engagement Activities 51](#_Toc181096760)

[Table 9‑1: Contact Details for Submitting a Grievance 55](#_Toc181096761)

[Table 10‑1: Evaluation Results for Assets of the Former Airport in Polkovnik Lambrinovo 60](#_Toc181096762)

[Table 10‑2: Orders on Acquisition of Easement Rights for the St George PV Project 62](#_Toc181096763)

[Table 10‑3: Compensation Rates for Annual Crops 64](#_Toc181096764)

[Table 11‑1: Entitlement Matrix 68](#_Toc181096765)

[Table 12‑1: Sources of Income of Affected Households 75](#_Toc181096766)

[Table 12‑2: Livelihood Restoration Measures 76](#_Toc181096767)

[Table 13‑1: Vulnerable PAHs 79](#_Toc181096768)

[Table 14‑1: Monitoring Indicators 80](#_Toc181096769)

[Table 15‑1: Implementation Schedule 84](#_Toc181096770)

[Table 16‑1: Roles and Responsibilities for the LRP Implementation 86](#_Toc181096771)

LIST OF FIGURES

Page

[Figure 2‑1: Project Site Layout 11](#_Toc181096772)

[Figure 2‑2: St George PV Site and Routes of Pelikan and Dorostol 110kV OHTLs 13](#_Toc181096773)

[Figure 3‑1: Easement Establishment Procedure 17](#_Toc181096774)

[Figure 7‑1: Head of Household Distribution by Sex 40](#_Toc181096775)

[Figure 7‑2: Average Age of Household Heads 40](#_Toc181096776)

[Figure 7‑3: Age Groups 41](#_Toc181096777)

[Figure 7‑4: Distribution by Gender 41](#_Toc181096778)

[Figure 7‑5: Education Level of the PAPs 42](#_Toc181096779)

[Figure 7‑6: Income Groups 43](#_Toc181096780)

[Figure 7‑7: Primary Occupation of the PAPs 44](#_Toc181096781)

[Figure 7‑8: Secondary Occupation of the PAPs 45](#_Toc181096782)

[Figure 7‑9: Main Source of Income 45](#_Toc181096783)

ABBREVIATIONS AND ACRONYMS

|  |  |
| --- | --- |
| **AES** | Applied Energy Services |
| **AH** | Affected Household |
| **CLO** | Community Liaison Officer |
| **EA** | Energy Act |
| **ESAP** | Environmental and Social Action Plan |
| **ESIA** | Environmental and Social Impact Assessment |
| **ESMP** | Environmental and Social Management Plan |
| **EU** | European Union |
| **FMV** | Fair Market Value |
| **FGD** | Focus Group Discussion |
| **GBVH** | Gender Based Violence and Harassment |
| **GM** | Grievance Mechanism |
| **GN** | Guidance Note |
| **HUB** | Hub Substation Smilets |
| **IFC** | International Finance Corporation |
| **LESA** | Lender Environmental and Social Advisor |
| **LR** | Livelihood Restoration |
| **LRCR** | Livelihood Restoration Completion Report |
| **LRP** | Livelihood Restoration Plan |
| **LILO** | Loop in / Loop out |
| **LV** | Low Voltage |
| **MV** | Medium Voltage |
| **NTS** | Non Technical Summary |
| **NGO** | Non-governmental Organisation |
| **OHTL** | Overhead Transmission Line |
| **PR** | Performance Requirement |
| **PS** | Performance Standard |
| **PV** | Photovoltaic |
| **PAP** | Project Affected Person |
| **RAP** | Resettlement Action Plan |
| **RoW** | Right of Way |
| **SDA** | Spatial Development Act |
| **SPV** | Special Project Vehicle |
| **SEP** | Stakeholder Engagement Plan |
| **SUS** | Step-up Substation |
| **TPA** | Territorial Planning Act |
| **TEGOVA** | The European Group of Valuers’ Association |
| **TLS** | Transitional Livelihood Support |
| **BVS** | Valuation Standards |

EXECUTIVE SUMMARY

This document is the Livelihood Restoration Plan developed for the St George Photovoltaic (PV) project (the Project). This is the project of construction and operation of a 229 MWp solar plant in Silistra municipality in north-eastern Bulgaria. St George PV project is one of the largest solar PV plant projects in the country.

Development of the PV plant project was initiated in 2009 however was suspended in 2010. Active work on the development of the Project (as currently structured) was recommenced in 2020. The current developer of the Project is Rezolv Energy (an independent clean energy power producer) which is acting through a special project vehicle (SPV) R-Engineering EOOD (the Company) as the entity responsible for the development of the Project.

The key components of the Project include a PV power plant with overall capacity of approximately 229 MWp and two 110 kV Overhead Transmission Lines (OHTL) connecting the PV plant with the existing transmission lines. The two OHTLs are:

* Dorostol OHTL of approximately 2.3 km;
* Pelikan OHTL of approximately 3.7 km.

The PV site is located at the territory of a former airport, whereas the two OHTLs will be established on land mainly used for agricultural purposes.

The International Finance Corporation (the IFC) and potentially other lenders are considering possible financing of the Project. Therefore, relevant Environmental and Social Impact Assessment (ESIA) of the Project has been conducted in line with the IFC Performance Standards. The ESIA report was issued in April 2024 and determines the necessity of development and implementation of the Livelihood Restoration Plan (LRP) to ensure compliance of the Project-related land acquisition and livelihood restoration activities with the IFC requirements. This commitment to development and implementation of the LRP has been also reflected in the Environmental and Social Action Plan (ESAP).

RINA Consulting S.p.A., Italy (RINA) was engaged to develop the LRP (this document) to analyse the already completed land acquisition activities conducted for the Project in line with national requirements and to determine additional measures (as necessary) to ensure that the land acquisition and livelihood restoration processes are compliant with international standards and best practices. The ultimate goal of this LRP is to ensure that livelihoods affected by the Project-related land acquisition are restored to pre-project level and if possible improved.

Land acquisition activities for the PV site were initiated in 2005-2009, for the Dorostol OHTL – in 2010-2012, and for the Pelikan OHTL – in 2022-2023. The land acquisition activities did not lead to physical displacement (resettlement) impact. The land was acquired on willing seller / willing buyer basis.

In total, 10 land plots are affected by land acquisition for the PV site, including eight land plots acquired on permanent basis, and two on temporary basis (by establishment of easement rights). Eight of the acquired land plots for the PV site were used by the former airport whereas two – for adjacent roads and infrastructure facilities of the airport. All the land plots for the PV site were acquired from YGY Industries AD, a private legal entity related to R-Engineering prior the purchase by Rezolv Energy (the Project developer). The legal ownership of the permanently acquired eight land plots allocated for the PV site has changed several times since the years 2005-2009 when these land plots were initially acquired. Most of the land plots were initially owned by the state or government-related bodies. Two of the acquired land plots had shared ownership which included the state, the company Fox-B EOOD (related to R-Engineering prior the purchase by Rezolv Energy) and three individual landowners; according to the ESIA report and the Preliminary Field Report focusing on biodiversity issues, certain agricultural activities were also identified at certain areas of the PV site presumably conducted by these individual landowners and potentially engaged workers.

Since it was not possible for RINA or the Company to have additional information on the acquisition of these private plots and the three affected individuals, and considering that (i) no expropriation took place and that the land was acquired on willing seller / willing buyer basis; (ii) the acquisition of these plots took place over 15 years ago; (iii) these land plots were not used by the time of preparation of this LRP; and (IV) no grievances or court cases related to this past land acquisition were raised, the assessment of the acquisition of these plots retrospectively is not deemed feasible at this stage and therefore the land acquisition activities for the PV site have been scoped out of this LRP.

However, a description of the land acquisition for the PV site and related impacts is provided in sections 4 and 5. Moreover, if any grievances related to acquisition of these two land plots arise in the future, the Company is committed to address them according to the principles of the PS 5 and the provisions of this LRP.

As discussed above, most of the land plots affected by the land acquisition for the two OHTLs are used for agricultural purposes. These private land plots either belong to individual landowners who lease them to agricultural organisations or are owned by these agricultural organisations themselves. No individual landowners use their land on their own. The affected land plots are used for cultivation of crops only: there are no structures, trees or perennial crops on the affected land plots.

The Dorostol OHTL affects 10 individual landowners and three businesses (agricultural organisations). The Pelikan OHTL affects 49 individual landowners, three businesses owning and using the land, as well as two businesses using the land without owning it. The impact will relate to temporary land acquisition related to establishment of easement rights for parts of these land plots (along the OHTL routes), as well as to permanent land acquisition related to acquisition of land for installing poles for the OHTLs. This will relate to relevant restrictions on land use during construction of the OHTLs and their occasional maintenance, as well as to permanent loss of land used for the poles; access to this land in proximity to the poles will be also limited as the agricultural machinery won’t be able to operate close to the poles.

During preparation of this LRP, RINA analysed the documentation related to land acquisition for the OHTLs as well as conducted the socioeconomic survey and asset inventory in September 16-20, 2024. The fieldwork included conducting interviews with affected landowners and land users, as well as focus groups / interviews with women, vulnerable groups and NGOs. During the fieldwork, RINA met with majority of the affected businesses (agricultural organisations) and with approximately half of the individual landowners (the other landowners couldn’t be reached as some of them refused to meet, were deceased or living outside Silistra municipality, had no actual contact details, etc.). Information collected during the fieldwork in September 16-20, 2024 is considered sufficient and appropriate for the LRP purposes. However, the Company will continue the work on identification of the remaining landowners and land users in the course of the LRP implementation.

The compensation for land has already been paid during establishment of the easement rights and while obtaining ownership rights for the land acquired for the poles; it is considered to be in line with international standards. As indicated above, no other assets such as structures, trees, etc. are affected. However, additional compensation for the loss of annual crops will be provided. In the first place, the Company will make effort to ensure that the affected businesses will be allowed to harvest crops if there are crops on land prior to construction. Second, compensation for crops will be provided at full replacement cost. According to information obtained during the socioeconomic survey in September 2024, the four types of crops are typically cultivated on the affected land plots: wheat, corn, sunflower and rapeseed (the crops are changed from one year to another). The Company made a commitment to compensate for the most expensive type of crop. The amount of compensation will also cover relevant taxes (i.e. income tax and VAT) and transaction costs.

The loss of crops might occur not only at the Project construction stage but also during the Project operation as the access to the OHTLs might be required during their maintenance. The crops might be lost due to the access of relevant machinery while conducting this occasional maintenance work. In this case, compensation for the lost crops will be provided for the particular type of the lost crops similar to the discussed above.

Compensation will be also provided for the loss of access to land near the poles. The compensation will be provided to landowners (for the permanent loss of access to land near the poles) and for land users (for the temporary loss of access to land). For landowners the compensation will be provided as a once-off payment, whereas for land users it will be provided for the current year and for each remaining year of a lease agreement in place between the landowner and the land user.

In addition to the compensation described above, livelihood restoration support will be provided to affected people and organisations. This will include provision of opportunity for participation in the solar PV installation training programme initiated by Rezolv Energy in Silistra municipality, provision of various forms of assistance related to land-based activities (such as support in land improvement, assistance in improvement of roads to access the land plots, etc.). Support of that type may be provided under request. Additional types of support might be provided on case-by-case basis. The Company will also aim to provide support to vulnerable people – for example, support in in explaining details of land acquisition and relevant compensation and support measures, support with provision of transport to take part in engagement activities related to this LRP, etc.

The Company is committed to engage with affected people and organisations throughout the whole process of the LRP development and implementation. The draft LRP (this document) will be disclosed online. Its paper copies will be also made available in Silistra and Kalipetrovo; they may be also provided by the Company under request. Discussion of this LRP will take place in November 5-7, 2024. Comments to the document will be also provided via the grievance mechanism that will be available throughout the whole process of the LRP development and implementation. It might be used for providing grievances, comments and for raising concerns regarding any aspect of land acquisition and livelihood restoration, as well as any other aspect related to the Project.

The Company has hired a Community Liaison Officer to facilitate engagement with affected people/organisations and other stakeholders. It is also committed to engage the LRP Manager responsible for implementation of this document.

The LRP will be implemented throughout 2024-2026. During this period, relevant monitoring activities will be conducted both internally (by the Company and/or engaged consultants) and externally to ensure commitments determined within the LRP are delivered and the livelihood restoration process is conducted in line with international standards. Relevant reporting on the monitoring activities will be conducted, with affected people/organisations being provided on its results accordingly.

The livelihood restoration process will be completed by conducting independent completion audit aimed to analyse whether livelihoods of the affected people/organisations have been properly restored, whether commitments of this LRP have been fulfilled and whether the overall process is compliant with the IFC Performance Standards.

# INTRODUCTION

The St George Photovoltaic (PV) project (the Project) is the project of construction and operation of a 229 MWp solar plant in Silistra municipality in north-eastern Bulgaria. It is one of the largest solar PV plant projects in the country.

Bulgaria is updating its policy to promote investments as part of the ambitious European Union (EU) target of a 32% share for renewables. In Bulgaria, the photovoltaic installed capacity is targeted to triple by 2030. Solar PV will drive the renewable energy sector, which is expected to grow to 27% of gross energy consumption by 2030. The Project is therefore of particular importance for the fulfilment of objectives of the Bulgaria's renewable energy policy as part of its obligations under Directive 77/2001/EC, part of the EU accession agreement.

Development of the Project is facilitated by Rezolv Energy, an independent clean energy power producer funded by Actis Eastern Europe Energy S.a.r.l. Resolv Energy is acting through a special project vehicle (SPV) R-Engineering EOOD (the Company) as the entity responsible for the development of the Project. R-Engineering EOOD is the owner of the Project and will be the key entity signing the loan agreement with the lenders.

The International Finance Corporation (the IFC) and potentially other lenders (the Lenders) are considering possible financing of the Project. According to international requirements, the following documentation has been prepared for the Project:

* Preliminary Environmental and Social Impact Assessment (ESIA) report;
* Non Technical Summary (NTS);
* Stakeholder Engagement Plan (SEP);
* Environmental and Social Management Plan (ESMP).

The documents were issued in April 2024. According to the above documents, the Project is expected to be classified as a ‘Category B’ project in line with international standards.

Though the Project did not involve involuntary land acquisition (expropriation), the ESIA report determines the necessity of development and implementation of the Livelihood Restoration Plan (LRP) to ensure compliance of the Project-related land acquisition and livelihood restoration activities with the IFC Performance Standard (PS) 5. This commitment to development and implementation of the LRP has been also reflected in the Environmental and Social Action Plan (ESAP).

This document is the LRP developed by the Project by RINA Consulting S.p.A., Italy (RINA). The aims of the LRP are to:

* Establish the Company’s approach to land acquisition and associated compensation and livelihood restoration;
* Ensure that Project-related land acquisition activities are performed in line with national requirements and international standards;
* Analyse the already completed land acquisition activities and determine measures if any non-compliances are identified;
* Ensure that compensation and other assistance are provided to those affected in compliance with national law and international standards;
* Ensure that affected people (including vulnerable groups) are engaged in the LRP development and implementation process;
* Guarantee that land acquisition and livelihood restoration processes are performed in a transparent, consistent and equitable manner.

The basic principles followed by this LRP are as follows:

* Identification of impacts associated with land acquisition and economic displacement;
* Compensation must be provided at full replacement cost in respect to any loss of assets;
* Where livelihoods are affected, they must be restored to pre-project levels and if possible improved;
* Affected persons must be engaged on proposed compensation and livelihood restoration measures;
* Assistance to vulnerable persons must be provided;
* A grievance mechanism must be established; and
* The compensation and livelihood restoration process should be monitored.

The LRP is structured as follows:

* Section 1 introduces the LRP;
* Section 2 provides the Project description;
* Section 3 describes national requirements and international standards and analyses the gaps between the two;
* Section 4 gives an overview of the land acquisition and economic displacement activities completed to date;
* Section 5 discusses the Project land requirements and relevant impacts;
* Section 6 determines data collection methodology;
* Section 7 characterises communities and affected people;
* Section 8 focuses on stakeholder engagement related to land acquisition and livelihood restoration;
* Section 9 describes the grievance mechanism;
* Section 10 establishes the compensation framework;
* Section 11 determines eligibility and entitlements;
* Section 12 discusses livelihood restoration measures;
* Section 13 makes provisions on vulnerable groups;
* Section 14 determines provisions on monitoring and evaluation;
* Section 15 shows the implementation schedule; and
* Section 16 defines roles and responsibilities.

# PROJECT DESCRIPTION

## Overview

The St George PV Project started being developed in 2009 when the American company Applied Energy Services (AES) had plans to build a photovoltaic (PV) power plant with an initial capacity of 80 MW. However, development by AES stalled in 2010. Active work on the development of the Project (as currently structured and described below) started in 2020 in which AES no longer participated.

The current developer is Rezolv Energy, an independent clean energy power producer funded by Actis Eastern Europe Energy S.a.r.l. Resolv Energy acting through a special project vehicle (SPV) R-Engineering EOOD (the Company) as the entity responsible for the development of the Project. R-Engineering EOOD is the owner of the Project and will be the key entity signing the loan agreement with the lenders.

Based on the categorisation criteria according to international standards, the Project has been classified as a ‘Category B’ Project.

The Project PV site is located in northeast of Bulgaria, on the land of the village of Polkovnik Lambrinovo, 5 km south of Silistra in Silistra Region.

The PV site is located on the site of a former airport, including a 2.5 km runway, a passenger terminal, adjacent infrastructure, and a former airfield. The land was used by the Silistra Airport which was closed in 2000. The site has good asphalt roads and is connected to Silistra town (approximately 12 km distant) via Route 208 and Route 21. The nearest major international airport and port are in the city of Varna, approximately 140 km from the Project site. The majority of the land around the site is agricultural. The Solar PV site layout is illustrated in Figure 2‑1:

A screenshot of a computer

Description automatically generated

Figure 2‑1: Project Site Layout

For development purposes, the photovoltaic (PV) power plant has been split into two phases or PV power plants to be built over relevant parts of the Project land plots:

* Phase 1 - PV power plant with a capacity of 99,5 MWAC – St George East;
* Phase 2 - PV power plant with a capacity of 99,5 MWAC – St George West.

The combined phases will have an overall capacity of approximately 229 MWp.

Photovoltaic power uses solar panels to convert sunlight into electricity by converting solar radiation into DC electricity. PV inverters convert the direct current that will be transformed into alternating current via transformers to raise the voltage from Low Voltage (LV) to Medium Voltage (MV). The Maximum AC Capacity (MW at power factor 1), as per Table 2‑1 below, is defined as the sum of the AC power of the inverters as follows:

Table 2‑1: Plant Subsites’ Total Installed DC and Maximum AC Capacity

| **Subsite** | **Capacity (MWp)** | **Maximum AC Capacity (MWp)** |
| --- | --- | --- |
| St. George East  (Phase I) | 114.55 | 99.5 |
| St. George West  (Phase II) | 114.55 | 99.5 |
| **Total** | **229.1** | **199** |

The Project consists of the following elements:

* PV Plant Phase I and Phase II;
* Step-up Substation (SUS) – one substation with two step-up transformers;
* Hub Substation Smilets (HUB)[[1]](#footnote-2);
* Medium Voltage (MV) cables to the SUS;
* Low Voltage (LV) cables and LV/MV power stations and transformers;
* 110 kV double circuit Overhead Transmission Line (OHTL) Pelikan of approximately 3.7 km connecting to existing 110 kV OHTL Silistra to Tutrakan via “loop in / loop out” “LILO” connection;
* 110 kV double circuit OHTL Dorostol of approximately 2.3 km connecting to existing 110 kV OHTL Silistran to Dorostol via “LILO” connection;
* Supporting infrastructure (e.g. office and welfare facilities, security system, fencing, drainage, internal road network).

Figure 2‑2 below shows the location of each of the Project subsites, the Step-up Substation, the Hub Substation Smilets and the double circuit lines leading to the LILO connection points with the planned OHTLs Pelikan and Dorostol. For the Pelikan line, there will be two road crossings near the Site. For the Dorostol line, there will be one road crossing near the connection point with the existing line.

A screenshot of a computer

Description automatically generated

Figure 2‑2: St George PV Site and Routes of Pelikan and Dorostol 110kV OHTLs

## Key Parties

The following entities are key to the Project implementation:

* **Rezolv Energy:** the Project developer since 2023, and a shareholder in the Project Company. It will be overseeing E&S compliance and reviewing reports to be submitted to the lenders;
* **R-Engineering EOOD (the Company):** is the entity responsible for the development of the Project and is the owner of the Project. It will be the key entity signing the loan agreement with the lenders and overseeing the implementation of E&S requirements;
* **EPC Contractor:** is responsible for preparing the detailed design and layout of the Project; supply of the material and equipment (PV Panels, inverters, etc.); construction of the Project and its various components (PV Panels, internal roads, building infrastructure, etc.).
* **Subcontractors:** subcontractors are identified as any entity (international or local) appointed directly by the EPC Contractor through contractual arrangements to undertake construction activities or provide services for the Project;
* **Lender Environmental and Social Advisor (LESA):** is assigned by the lenders to provide different services, including E&S due diligence of the Project before financial close, supervision and monitoring of the construction and operational phases.

# REGULATORY AND INSTITUTIONAL FRAMEWORK

## NATIONAL REQUIREMENTS AND INSTITUTIONAL FRAMEWORK

### Overview

Bulgaria is a member of the European Union since 2007, and therefore the Project must comply with provisions of the national and European legislation. Bulgarian legislation is fully aligned with the European legislation in terms of protection of private property, protection against discrimination, rights of individual citizens of the country and of commercial entities.

During implementation of energy projects such as the St. George PV Project, the following legal acts are applied (list is not exhaustive):

* Spatial Development Act;
* Energy Act;
* Environmental Protection Act;
* Biological Diversity Act;
* Water Act;
* Protected Areas Act;
* Cultural Heritage Act;
* Agricultural Land Protection Act;
* Forest Act;
* Agricultural Land Management and Use Act;
* Municipal Property Act;
* State Property Act;
* Secondary legislation related to land use.

The ownership right in Bulgaria might be private and public. Private owners are both individuals and/ or legal entities. Public owners are the state and the municipalities. Private owners are free to dispose of their land property at their discretion. The state and municipalities must obey certain restrictions and special regulations contained in the Municipal property act or the State property act. These special regulations are enforced to ensure the interest of the public and the protection of private property.

It must be noted that due to the historical events in the country during the communist regime resulting, among others, in large scale involuntary expropriation of agricultural land in the country as well as of property in general, the Bulgarian population is very sensitive to expropriation. After becoming a democracy, property expropriated during communist regime was reinstated to its’ original owners or their heirs. The Constitution explicitly prohibits expropriation unless it is accompanied by a fair compensation. The laws of the country were construed in a way to protect the ownership right in the first place, therefore a number of different level guarantees was foreseen to involve the state in the expropriation process as a guarantee to private ownership, i.e.:

* expropriation is admissible only in the cases determined by the law;
* no expropriation is admissible without a declared state/public need by the Council of Ministers;
* different ministries are involved in the process to determine the legality of the expropriation;
* the compensation is determined by an independent evaluator who works on the basis of a preset evaluation methodology issued by the National Chamber of Evaluators;
* affected owners may appeal against the determined compensation.

In relation to the St. George PV Project, the buyer did not have the right to expropriate land, therefore the land acquisition was possible only via negotiations and agreements with landowners/users.

Transfer of ownership rights in Bulgaria requires a notary deed and is registered in the Property Register at the Registry Agency of the country. There is a special property right to be mentioned as well, which is the right to build. This is a legally defined property right in Bulgaria. It is different from contractual rights to lease or to use[[2]](#footnote-3) and is established, registered and protected basically in the same way as the transfer of ownership rights.

In the process of acquisition of property rights for the PV site and the establishment of easement rights for the power lines, the owners/ land users of affected properties received compensation for their land, assets and lost profits. Provision of fair compensation is an underlining principle of the Bulgarian Constitution and laws. It is necessary to present to the authorities the proof of actual disbursement of compensation payment in order for the authorities to issue the building permit. After the completion of the construction, the land on which the Project facilities and power lines will be built are to be restored to their original conditions; the fact of land restoration is to be confirmed by each owner/user of the affected land. There are also some requirements for distances from houses regarding power lines.

### Applicable Procedures for Land Acquisition and Establishment of Easement Rights

The procedure for the establishment of easement rights in terms of Dorostol OHTL and Pelikan OHTL starts with the preparation and approval of a Detailed Development Plan for an area, then the public consultation and participation process starts. Affected people are notified about the project at several stages of its development, including the stage of environmental impact assessment for the investment proposal. Further on the procedure foresees various opportunities for the affected people to express their views, provide recommendations, requests or objections to each stage of a project, including during preliminary stage of concept design, development of a spatial plan, prior to development of an EIA report, after the EIA report is developed and after decision on EIA is issued by competent authority. People and other stakeholders in the area are informed about:

* the investment proposal in its preliminary stage;
* the outcome of the detailed spatial plan development – extensive round of public consultations is implemented;
* defined compensation for both establishment of easement rights and for lost crops/assets/profits during construction;
* the intention to implement the EIA procedure for a project (prior to starting EIA’s detailed development);
* the findings of the EIA report – extensive round of public consultations is implemented separately from the one implemented for the development of the detailed spatial plan;
* the project developer is obliged to take comments/objections received during public consultations into consideration and record these, as well as to record how they were reflected. These records are part of the EIA reporting process and a prerequisite for obtaining an EIA permit;
* if a person or any other stakeholder is not satisfied with the results of the detailed spatial plan, EIA process or compensation process, he/she is given time to file a complaint.

The legal framework that regulates the property rights acquisition procedure in Bulgaria is the following:

**Procedure for the acquisition of property rights for PV sites**

The procedure for acquisition of ownership right or the transfer of the building right is conducted according to article 44 and article 45 a from the State Property Act (at the time). Following a public tender procedure, the winning party is assigned with the respective land against full payment of the remuneration. There is a general possibility (not applicable herein) under applicable legislation for acquisition of the ownership right or the transfer of the building right to be conducted according to article 62 of the Energy Act. In such case, following the approval of a detailed spatial plan, a project developer shall take actions to directly negotiate with owners of the affected properties. When municipal property is affected, on the basis of article 62(2) of the EA, the competent municipal authorities shall establish, for the benefit of a person who will build and operate the energy site, a building right (subject to compensation) over the land in accordance with the Law on Municipal Property without a tender or competition. Article 62(1) of the EA determines that when the construction or expansion of site energy facilities, shall be carried out on state-owned property the competent state authorities shall establish in favour of the person who will build and operate the energy facility, a building right (upon payment) on land in accordance with the State Property Act without a tender or competition. According to article 62(4) of the EA, when construction or expansion of energy facilities for production of electrical energy or parts of them is carried out on private property, a developer must acquire the right of ownership or the right to build on the land required for the construction of the site in advance and upon payment of the agreed price.

An independent evaluator registered in the Public Register of Independent Evaluators at the Independent Evaluators Chamber in Bulgaria prepares an appraisal to determine the market value of a property or part of a property to which a project developer must acquire the rights of ownership or the building right. The legal definition of a “property evaluator” is given below in this chapter.

A legal advisor from the project developer makes a reference in public registers, as well as requests information from the relevant state and local authorities to establish the owners of properties and their contact details.

Depending on the available contact information, conversations by phone / e-mail shall be held with the owners of properties, and if they wish – face-to-face meetings might be organised where a project will be presented and the potential for the project developer to acquire the ownership or building right on the affected part of their property will be discussed. The respective contract shall be signed upon their agreement.

**Procedure for the establishment of an easement/ compensation to landowners**

The easement establishment procedure for energy sites is laid down in article 64 of the Energy Act (EA). In accordance with article 64(4) of the EA, easements are established when a detailed spatial plan has entered into force and when the easement title holder pays or wires a one-off payment for any loss in accordance with paragraph 6 to the owner and the holders of other property rights over the impacted property. In accordance with article 64(6) of the EA, the determination of the amount of compensation for energy sites’ easements and its payment shall be made in accordance with articles 210 and 211 of the Spatial Development Act. The procedure for determination of the compensation for the easement is carried out in the following sequence:

A diagram of a company

Description automatically generated

Figure 3‑1: Easement Establishment Procedure

**Involvement of Independent property evaluator**

In cases where there is no permanently appointed commission in the respective municipalities under article 210 of the Spatial Development Act (SDA), a company shall send an application to the relevant municipality for appointment of such commission, and registers of the affected properties shall also be attached to the application. The Commission under article 210 of the SDA shall select an independent property evaluator, listed in the Public Register of Independent Evaluators at the Independent Evaluators Chamber in Bulgaria, who shall prepare the appraisals for the affected properties (municipal, private and state-owned). Property evaluator is a person who:

* has the necessary education and professional qualification for real estate evaluation;
* depending on the purpose of the property, has the legal capacity of an independent evaluator (within the framework of the Independent Evaluators Act) to carry out the relevant evaluation;
* has at least three years of professional experience in property valuation;
* is not an employee of a project developer, has no interest in the expropriation and is not a relative by direct line without restrictions, by collateral line - up to the fourth degree inclusive and by affinity - up to the second degree of the parties to the expropriation.

The independent property evaluators in the country are associated with the Chamber Independent Evaluators of Bulgaria, which is part of the European Group of Valuers’ Association (TEGOVA) and follows the organisation’s European Valuation standards and guidelines. It has adopted national standards for appraisal and evaluation of properties which are based on current market values of property as well as differentiated crops types, etc. Civil society organisations and professional farmers’ associations had the opportunity to debate and influence the development of the criteria and lands/ crops loss evaluation standards.

The evaluator shall conduct valuation and determine the amount of compensation, and the commission appointed by the municipality shall approve it by a decision with relevant protocol being issued. Mayor of a municipality has to issue an order specifying a bank account (opened for the benefit of the beneficiaries to whom the compensation payments should be made), local tax, overhead costs, a fee for communicating the evaluation results to the owners such as postage, etc., and the costs of preparing the evaluations by an independent evaluator.

The municipal administration shall notify the owners of the payment of compensation. This is made through putting posters with announcements at prominent places in the municipality, making publications in a local newspaper and sending a standard letter to the addresses of the affected owners. Any owner, after being informed about the amount of compensation, can raise an objection within a 14-day term. In the event that the Administrative Court awards a larger amount of compensation, a project developer pays additional compensation to the owner.

## INTERNATIONAL STANDARDS

### IFC Performance Standards

The International Finance Corporation (IFC) requirements with respect to land acquisition and livelihood restoration are provided in Performance Standard (PS) 5 Land Acquisition and Involuntary Resettlement. In addition, the IFC provides guidance and good practice in the following documents:

* Guidance Note (GN) 5 Land Acquisition and Involuntary Resettlement;
* Handbook for Preparing a Resettlement Action Plan (2003);
* Good Practice Handbook. Land Acquisition and Involuntary Resettlement (2023).

The PS 5 recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons that use this land. Involuntary 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 other means of livelihood) as a result of project-related land acquisition and/or restrictions on land use. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement.

This occurs in cases of (i) lawful expropriation or temporary or permanent restrictions on land use 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. The PS 5 applies to physical and/or economic displacement resulting from the following types of land-related transactions:

* Land rights or land use rights acquired through expropriation or other compulsory procedures in accordance with the legal system of the host country;
* Land rights or land use rights acquired through negotiated settlements with property owners or those with legal rights to the land if failure to reach settlement would have resulted in expropriation or other compulsory procedures;
* Project situations where involuntary restrictions on land use and access to natural resources cause a community or groups within a community to lose access to resource usage where they have traditional or recognizable usage rights;
* Certain project situations requiring evictions of people occupying land without formal, traditional, or recognizable usage rights;
* Restriction on access to land or use of other resources including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, freshwater, medicinal plants, hunting and gathering grounds and grazing and cropping areas.

**Economic Displacement**

Where affected people are economically displaced (i.e. lose streams of livelihoods), the client must develop a Livelihood Restoration Plan (LRP) to address compensation to affected persons and/or communities and other assistance, including assistance meant to restore or improve affected livelihoods. The LRP will establish the entitlements of affected persons and/or communities and will ensure that these are provided in a transparent, consistent, and equitable manner. According to IFC GN 5, a Livelihood Restoration Plan should, at a minimum, provide the following information: (i) an introduction to the project; (ii) summary of project impacts; (iii) summary of the social baseline; (iv) regulatory framework; (v) results of stakeholder engagement; (vi) eligibility criteria; (vii) entitlement matrix; (viii) timeframe for implementation; (ix) organisational capacity; (x) monitoring, evaluation, and reporting; and (xi) budget and resources.

The mitigation of economic displacement will be considered complete when affected persons or communities have received compensation and other assistance and are deemed to have been provided with adequate opportunity to reestablish their livelihoods.

Where land acquisition (associated with physical and/or economic displacement) is the responsibility of the government, the client will collaborate with the responsible government agency, to the extent permitted by the agency, to achieve outcomes that are consistent with the IFC PS 5.

### EBRD Performance Requirements

The EBRD requirements on land acquisition, as well as economic and physical displacement are provided in the Performance Requirement (PR) 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement.

This PR 5 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.

Application of the EBRD PR 5 is consistent with the universal respect for, and observance of, human rights and freedoms, specifically the right to private property, the right to adequate housing and to the continuous improvement of living conditions.

Unless properly managed, involuntary resettlement may result in long-term hardship and impoverishment for affected persons and communities, as well as environmental damage and adverse socio-economic impacts in areas to which they have been displaced. The client shall consider feasible alternative project designs and sites to avoid or minimise land acquisition or restrictions on land use, other assets and natural resources while balancing environmental, social, and financial costs and benefits, and paying particular attention to gender impacts and impacts on vulnerable persons. Where it cannot be avoided through design, displacement shall be minimised and appropriate measures to mitigate adverse impacts on affected persons and host communities shall be carefully planned and implemented.

## GAP ANALYSIS – THE IFC AND EBRD STANDARDS AGAINST NATIONAL REQUIREMENTS

The main gaps between Bulgarian requirements and IFC / EBRD standards related to land acquisition, economic and physical displacement are summarized in Table 3‑1 below:

Table 3‑1: Gap Analysis between the IFC / EBRD Standards and National Requirements

| **Gap Subject** | **IFC Standards** | **EBRD Requirements** | **Bulgarian Requirements** | **Gaps** |
| --- | --- | --- | --- | --- |
| Avoidance and Minimisation | Consider feasible alternative project designs to avoid or minimise physical and/or economic displacement, while balancing environmental, social, and financial costs and benefits, paying particular attention to impacts on the poor and vulnerable. | The objectives of the EBRD PR 5 are to: (i) avoid involuntary resettlement or, when unavoidable, (ii) minimise involuntary resettlement by exploring feasible alternative project designs and sites, (iii) avoid forced eviction. | Avoidance and minimisation of negative impacts is a principle followed by Bulgarian requirements, especially in relation to environment, soil restoration, health and safety of the population, avoidance of forced eviction and involuntary resettlement. When developing a spatial development plan and conducting EIA, a private investor is required to avoid resettlement and economic displacement. | **No gap** |
| Preparation of a Resettlement Action Plan / Livelihood Restoration Plan | In the case of economic and / or physical displacement, the client needs to develop a Resettlement Action Plan or Livelihood Restoration Plan. | In the case of economic and / or physical displacement, the client needs to develop a Resettlement Action Plan or Livelihood Restoration Plan. | Requirements do not explicitly include restoration of livelihood and standards of living. No requirement for preparation of a Resettlement Action Plan / Livelihood Restoration Plan. | **Gap**  In addition to the documents prepared according to national legislation the preparation of a Resettlement Action Plan / Livelihood Restoration Plan shall be undertaken by the Project proponent. |
| Avoidance of Expropriation | To help avoid expropriation and eliminate the need to use governmental authority to enforce relocation, clients are encouraged to use negotiated settlements meeting the requirements of the PS 5, even if they have the legal means to acquire land without the seller’s consent. | Clients are encouraged to acquire land rights through negotiated settlements even if they have the legal means to gain access to the land without the consent of the seller. Negotiated settlements help avoid expropriation and eliminate the need to use governmental authority to remove people forcibly. | Expropriation is a “last resort” opportunity and is possible under strict conditions as foreseen by law. The laws of the country were construed in a way to protect the ownership right in the first place, so a number of different level guarantees were foreseen to involve the state in the expropriation process as a guarantee to private ownership, i.e.:  - expropriation is admissible only in the cases defined by law;  - no expropriation is admissible without a declared state/public need by the Council of Ministers;  - different ministries are involved in the process to determine the legality of the expropriation;  - the compensations are determined by an independent evaluator, who works on the basis of a present evaluation methodology issued by the National Chamber of Evaluators;  - affected owners of land and assent may raise an appeal against the determined compensation. | **No gap**  Comment: No expropriation was used for any land acquisition for the St. George PV project. |
| Eligibility | Displaced persons may be classified as persons (i) who have formal legal rights to the land or assets they occupy or use; (ii) who do not have formal legal rights to land or assets, but have a claim to land that is recognized or recognizable under national law; or (iii) who have no recognizable legal right or claim to the land or assets they occupy or use. The census will establish the status of the displaced persons. | Displaced persons may be classified as persons: (i) who have formal legal rights to the land (including customary and traditional rights recognised under national laws); (ii) 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; or (iii) who have no recognisable legal right or claim to the land they occupy. | The Bulgarian legislation considers eligible for getting compensation only those persons who have legal rights to the land or assets they occupy or use. Persons (i) who do not have formal legal rights to land or assets, but have a claim to land that is recognized or recognizable under national law; or (ii) who have no recognizable legal right or claim to the land or assets they occupy or use are not considered or protected by the national regulations. | **Gap**  Displaced persons classified as (i) or (ii) should be identified and considered eligible for relevant compensation and livelihood restoration support to be determined as part of the LRP. |
| Socioeconomic assessment and census | A census will be carried out to collect appropriate socio-economic baseline data to identify the persons who will be displaced by the project, determine who will be eligible for compensation and assistance, and discourage ineligible persons, such as opportunistic settlers, from claiming benefits. | The client will carry out a socio-economic baseline assessment on people affected by the project, including impacts related to land  acquisition and restrictions on land use. The assessment will identify impacts within a project’s social context and the needs and rights of the affected people and develop  appropriate actions to minimise and mitigate resettlement impacts.  The client will carry out a detailed census to: (i) identify persons who will be displaced by the project; (ii) determine who will be eligible for  compensation and assistance; and (iii) take inventory of affected land and property. The census should take into account the needs of seasonal resource users who may not be present in the project area during the time of the census. | No census is conducted as per the national regulations. Affected persons are determined based on official cadastral landownership / land use information. Only formal landowners / land users are covered.  Very limited socio-economic baseline data is collected as part of the land acquisition process.  Asset inventory is conducted as part of the national land acquisition process. Inventory is carried out by a registered independent evaluator. | **Gap**  Census and socio-economic survey should be conducted during preparation of the LRP.  Additional provisions on the asset inventory should be made as part of the LRP. |
| Cut-off Date | The client will establish a cut-off date for eligibility. Information regarding the cut-off date will be well documented and disseminated throughout the project area. | The client will establish the cut-off date for eligibility as foreseen in the applicable legislation and project timeline as appropriate.  Often the most practicable cut-off date is during the baseline assessment or census. Information regarding the cut-off date will be well documented and communicated throughout the project area. Setting a cut-off date will provide clarity as to eligibility for compensation and assistance. Persons moving into the project location after the cut-off date are not entitled to compensation or other assistance. | No requirements related to a cut-off date. | **Gap**  A project is to set up a cut-off date and communicate it to all affected people. Provisions on the cut-off date are to be made as part of the LRP. |
| Compensation | The client will offer displaced communities and persons compensation for loss of assets at full replacement cost[[3]](#footnote-4) and other assistance to help them improve or restore their standards of living or livelihoods, as provided in the PS 5.  Compensation standards will be transparent and applied consistently to all communities and persons affected by the displacement. Where livelihoods of displaced persons are land-based[[4]](#footnote-5), or where land is collectively owned, the client will, where feasible, offer the displaced land-based compensation. The client will take possession of acquired land and related assets only after compensation has been made available and, where applicable, resettlement sites and moving  allowances have been provided to the displaced persons in addition to compensation. The client will also provide opportunities to displaced communities and persons to derive appropriate development benefits from the project. | The client will offer all displaced persons and communities compensation for loss of assets at full replacement cost[[5]](#footnote-6) and other assistance. This is intended to restore, and potentially improve, their standards of living and/or livelihoods[[6]](#footnote-7) of displaced persons to pre-displacement levels. The measures can be based on land, resources, wages and/or business activities. Standards for compensation will be transparent and consistent within the project. Compensation will be provided before displacement or imposition of access restrictions. Where livelihoods of displaced persons are land-based, or where  land is collectively owned, the client will offer, where feasible, land-based compensation, taking into account seasonal and agricultural timing requirements. The client will provide  opportunities to displaced persons and communities to derive appropriate development benefits from the project. | National legislation includes provisions for compensating economically displaced people for  affected assets and lost income related to affected business (including future losses).  Compensation for privately-owned land and other assets (structures, trees and crops) is based on market value. Transaction costs are also compensated.  However, relevant deductions due to depreciation are made. | **Gap**  Compensation should be provided at full replacement cost. Depreciation of structures should not be taken into account. Provisions on the compensation are to be made as part of the LRP. |
| Livelihood Restoration | PS 5 requests to improve, or restore, the livelihoods and standards of living of displaced persons.  Based on consultation with physically displaced persons, the client will provide relocation assistance sufficient for them to restore their standard of living at an adequate alternative site.  In addition to compensation for lost assets (if any), economically displaced persons whose livelihoods or income levels are adversely affected will also be provided opportunities to improve, or at least restore, their means of income-earning capacity, production  levels, and standards of living.  Transitional support should be provided as necessary to all economically displaced persons, based on a reasonable estimate of the time required to restore their income-earning capacity, production levels, and standards of living. | PR 5 requests to restore or, where possible, improve the livelihoods and standards of living of displaced persons to pre-displacement levels. It also requires improving living conditions among physically displaced persons through the provision of adequate housing, including security of tenure at resettlement sites.  Based on consultation with physically displaced persons, the client will provide relocation assistance sufficient for them to restore, and where possible improve, their standards of living at an adequate alternative site.  The client will provide additional targeted assistance (for example, credit facilities, training or job opportunities) and opportunities to restore, and where possible improve, their income-earning capacity, production levels and standards of living. In the case of businesses  experiencing temporary losses or having to close as a result of project-related displacement, both the owner of the business and employees losing pay or employment are eligible for such assistance.  The client will provide transitional support to economically displaced persons, as necessary, based on a reasonable estimate of the time required to restore their income-earning capacity, production levels and standards of living. | No provisions on livelihood restoration. | **Gap**  Assistance in restoring / improving standards of living and/or livelihoods should be provided.  Relevant provisions should be made as part of the LRP. |
| Engagement | The client will engage with Affected Communities, including host communities, through the process of stakeholder engagement described in the PS 1. Decision-making processes related to resettlement and livelihood restoration should include options and alternatives, where applicable. Disclosure of relevant information and participation of Affected Communities and persons will continue during the planning, implementation, monitoring, and evaluation of compensation payments, livelihood restoration activities, and resettlement to achieve outcomes that are consistent with the objectives of the PS 5. | From the earliest stages and through all resettlement activities the client will involve affected men and women, including host communities. This will facilitate their early and informed participation in decision-making  processes related to resettlement.  Affected persons shall be given the  opportunity to participate in the eligibility requirements, negotiation of the compensation packages, resettlement assistance, suitability of proposed resettlement sites and proposed timing.  Consultation will continue during the implementation, monitoring and evaluation of compensation payment and resettlement so as to achieve outcomes that are consistent with the objectives of the PR 5. | As per the national legislation, limited engagement is required.  It is related to: discussion of project activities related to resettlement (if any), alternatives, definition and implementation of compensation payments, publication of a decree on land acquisition (expropriation) in press and sending notification on land acquisition to affected landowners / land users by post. Engagement with affected people / organisations is also conducted when signing agreement on acquisition of land.  No engagement with informal land users is required. | **Gap**  Engagement activities with affected people are to be determined by the LRP and conducted accordingly. |
| Grievance Mechanism | The client will establish a grievance mechanism consistent with the PS 1 as early as possible in the project development phase. This will allow the client to receive and address specific concerns about compensation and relocation raised by displaced persons or members of host communities in a timely fashion, including a recourse mechanism designed to resolve disputes in an impartial manner. | The client will establish an effective grievance mechanism as early as possible in the process. It will be consistent with the PR 10 and with the objectives and principles of PR 10 in order 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. It will include a recourse mechanism designed to resolve disputes in an impartial manner. | The national regulations give opportunity for receiving grievances related to all project stages, including those related to compensation. However, there is no specific requirement for establishment of a project-specific grievance mechanism related to land acquisition, economic/physical displacement and livelihood restoration processes. | **Gap**  The mechanism should be provided at the planning and implementation stages of physical / economic displacement process.  Relevant provisions should be made as part of the LRP. |
| Vulnerable Persons | The client will identify individuals and groups that may be directly and differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status.  Where individuals or groups are  identified as disadvantaged or vulnerable, the client will propose and implement differentiated measures so that adverse impacts do not fall disproportionately on them and they are not disadvantaged in sharing development benefits and opportunities.  Particular attention should be paid to impacts on the poor and vulnerable as part of land acquisition and physical/economic displacement processes. | The client will take into account any individuals or groups that may be disadvantaged or vulnerable. In particular, the client will take necessary actions to ensure that vulnerable groups are not disadvantaged in the resettlement process, are fully informed and aware of their rights, and are able to benefit equally from the resettlement opportunities and benefits. These groups should be identified through the process of environmental and social assessment. | Limited requirements to identify and assist vulnerable groups. It is possible to provide transportation assistance to disabled persons to receive their compensation or to sign administrative/ legal papers. Notaries can perform notary deeds at homes of people that have difficulties with leaving their place of residence (due to illness, disability, age etc.). Persons willing to get such assistance shall notify project developer/ local authority to make the necessary arrangements. | **Gap**  Vulnerable groups should be identified. Relevant provisions on vulnerable groups should be made as part of the LRP. |
| Gender | The informed consultation and participation process should (i) capture both men’s and women’s views, if necessary through  separate forums or engagements, and (ii) reflect men’s and women’s different concerns and priorities about impacts, mitigation mechanisms, and benefits, where appropriate.  The consultation process should ensure that women’s perspectives are obtained and their interests factored into all aspects of resettlement planning and implementation.  Women’s and men’s preferences in terms of compensation mechanisms, such as compensation in kind rather than in cash, should be explored. | The EBRD views gender equality as a fundamental aspect of a modern, well-functioning market economy and democratic society. The EBRD expects its clients to identify any potential gender-specific and  disproportionate, adverse impacts, and undertake to develop mitigation measures to reduce these.  From the earliest stages and through all resettlement activities the client will involve affected men and women, including host  communities. This will facilitate their early and informed participation in decision-making  processes related to resettlement. | Gender equality is a fundamental principle of Bulgarian law. Discrimination based on gender is forbidden, i.e. preference of women to men and vice versa is forbidden. Both men and women should be engaged during consultation activities. Both women’s and men’s opinions, comments, preferences should be taken into account. However, there are no gender-specific provisions to be considered as part of physical/economic displacement and livelihood restoration processes. | **No gap / Gap**  Gender-specific provisions should be made as part of the LRP. |
| Monitoring and Evaluation | The client will establish procedures to monitor and evaluate the implementation of a RAP or LRP and take corrective action as necessary. The extent of monitoring activities will be commensurate with the project’s risks and impacts.  Affected persons will be consulted during the monitoring process.  It may be necessary for the client to commission an external completion audit of the RAP or LRP to assess whether the provisions have been met, depending on the  scale and/or complexity of physical and economic displacement associated with a project. | Monitoring of the resettlement and livelihood restoration process will be carried out in accordance with PR 1 and should involve the participation of key stakeholders such as affected communities.  Depending on the scale of a project’s  resettlement, it may be appropriate for the client to commission an external completion report of the RAP/LRP to determine that the provisions have been met. | Conducting monitoring and evaluation activities as part of physical/economic displacement process is not required by the Bulgarian law. | **Gap**  Project developer is to conduct monitoring to ensure that livelihoods of affected landowners/users (including informal land users) are restored or improved. Monitoring and evaluation provisions shall be included as part of the LRP. |

# OVERVIEW OF THE COMPLETED LAND ACQUISITION PROCESS FOR THE PROJECT

Land acquisition for the St George project started in 2009 and was concluded in 2023. It was a lengthy process in time as the project includes various stages, land acquisition mechanisms and land plots. The different land plots were purchased from various owners, including private landowners, the state and the municipality. The buyer did not have the right to expropriate the land. Thus, no expropriation or involuntary land acquisition took place during the land acquisition process. The land plots required for the construction of the PV site and some of the land plots for the OHTLs connecting it to the grid substations were acquired via willing seller – willing buyer negotiations starting in 2007. For the other land plots needed for the OHTLs, easement rights agreements were concluded and compensated as follows: for Dorostol OHTL in 2010-2012, whereas for Pelikan OHTL – in 2022-2023.

**PV site**

In total, 10 land plots were acquired for the PV site. They are located in the village of Polkovnik Lambrinovo. The land acquisition process started in 2007-2009.The property rights over 7 of these land plots needed for the PV site were acquired through concluding building rights agreement with the owner (YGY Industries) for a period of 35 years as of 22.03.2023, as well as through concluding land lease agreement for the entire period of operation of the PV power plant project. The 8th land plot (the land plot for the substation) was acquired from YGY Industries via purchase agreement in March 2023 in the form of notary deed. The substation (which is envisaged to be built as part of the Project) will be located on one of the land plots acquired for the PV site.

In addition, easement rights over 2 land plots were also acquired in 2023 by R-Engineering from YGY Industries. The registered use of these plots is for roads, and easement rights were established in order to build the medium voltage cable lines.

**Dorostol OHTL**

In total, 38 land plots were acquired from private owners or the municipality permanently or temporary for the Dorostol OHTL. They are located in the areas adjacent to the villages of Polkovnik Lambrinovo and Kalipetrovo. The land use rights for the land plots needed for the Dorostol OHTL were obtained by AES Solar Bulgaria Lambrinovo Ltd. via easement rights establishment procedure in 2009-2010 and compensated in 2012. The granting of the easement rights was executed by the orders of the Mayor of Silistra municipality and the District Governor in 2012 (after the relevant compensation to the official landowners was paid in February 2012 via Silistra municipality, Directorate for Territory Zoning and Municipality Ownership). The orders on establishment of easement rights were registered at the Registry Office – Silistra. The easement rights were transferred to R-Engineering on June 30th, 2022 by official orders of the Mayor of Silistra municipality and the District Governor, which have been registered at the Registry Office – Silistra. In addition, R-Engineering also acquired ownership rights for 14 land plots which are needed for the cable poles of the Dorostol OHTL. The compensation for acquisition of these land plots was also paid in 2012.

**Pelikan OHTL**

In total, 74 land plots were acquired from private owners or the municipality permanently or temporary for the Pelikan OHTL. They are located in the areas adjacent to the villages of Polkovnik Lambrinovo, Kalipetrovo and Aydemir. The property rights were settled via the transfer of the easement rights between R-Engineering and landowners from 2023. The granting of the easement rights was executed by the orders issued by the Mayor of Silistra municipality and the District Governor in 2023 (after relevant compensation was paid to the official owners in April 2023 via Silistra municipality, Directorate for Territory Zoning and Municipality Ownership and registered at the Registry Office – Silistra).

Within the easement strip, R-Engineering also acquired permanent use rights for 626,42 m2 at various plots which are needed for the cable poles of the Pelikan OHTL. The compensation for acquisition of these land plots was also paid in 2023.

# PROJECT LAND REQUIREMENTS AND IDENTIFICATION OF IMPACTS

## LAND REQUIREMENTS

Based on information provided in the ESIA report and documentation provided by the Company, 123 land plots are required for the Project, including:

* PV site – 10;
* Dorostol OHTL – 38;
* Pelikan OHTL – 74.

**PV Site**

In total, 10 land plots of the total area 1,654,448 m2 are affected by land acquisition for the PV Site. These include 8 private land plots permanently acquired by the company R-Engineering[[7]](#footnote-8) from YGY Industries. All the land plots have an official registered land use category of electricity production site. In addition, 2 land plots of the total area 12,090 m2 are affected by temporary land acquisition.

Detailed information on the land plots required for the PV Site is provided in Table 5‑1 below:

Table 5‑1: Land Requirements for the PV Site

| **Community** | **Total Number of Affected Land Plots** | **Total Area of Affected Land Plots m2** | **Total area affected by land acquisition, m2** | **Temporary Land Take, m2** | **Permanent Land Take, m2** | **Private Land Plots** | | **Public Land Plots** | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Number** | **Area, m2** | **Number** | **Area, m2** |
| Polkovnik Lambrinovo | 10 | 1,654,448 | 1,654,448 | 12,090 | 1,642,358 | 10 | 1,654,448 | 0 | 0 |

Most of the acquired land plots for the PV site were the land plots of ‘urbanized’ category used by the former airport owned by the Bulgarian state. However, two of the land plots acquired for the PV site (with a total area of 41,901 sq m) had the status of agricultural land and were used for adjacent roads and infrastructure facilities of the airport. According to the ESIA report and the Preliminary Field Report focusing on biodiversity issues, certain agricultural activities were also identified at certain areas of the PV site.

As indicated above, all the land plots for the PV site were acquired from YGY Industries AD, a private legal entity related to R-Engineering prior the purchase by Rezolv Energy. The legal ownership of the permanently acquired eight land plots has changed several times since the years 2007-2009 when these land plots were initially acquired. The ownership rights were transferred between companies related to related to R-Engineering prior the purchase by Rezolv Energy (such as YGY Industries AD, First May AD, R-Engineering EOOD, Fox-B EOOD or Vilo EOOD). With the support of Rezolv Energy, RINA managed to identify initial landowners of these land plots prior to their acquisition in 2007-2009. Most of the land plots were initially owned by the state / the Ministry of Transport / Silistra municipality. However, two of the land plots had shared ownership which included the state, the company Fox-B EOOD and three individual landowners (presumably, the previously identified agricultural activities might have been conducted by these three individuals and potentially engaged workers). However, considering that:

* The two affected land plots were partially owned by individuals as they shared ownership with the state and another organisation;
* The two affected land plots were located within or adjacent to the airport;
* Landownership status of the two land plots has changed 5 and 8 times for each of the land plots accordingly since the initial land acquisition conducted in 2007-2009;
* The initial land acquisition of these land plots was conducted over 15 years ago;
* No documentation related to the initial land acquisition in 2007-2009 was available by the time of preparation of this LRP;
* By the time of preparation of this LRP, the two land plots were not used. Identification of any potential assets or land-based activities on the two land plots retrospectively is not deemed feasible as there is little evidence or opportunity to confirm results of the completed asset inventory retrospectively and there is a risk of potential speculation around the quantity and quality of assets;
* No expropriation process for the Project has been implemented with the land being acquired on willing seller – willing buyer basis (see Section 5.2 below for more detail);
* No grievances or court cases with regard to land acquisition have been reported;

land acquisition activities for the PV site have been scoped out and are not considered by this LRP. However, if any grievances related to acquisition of these two land plots arise in the future, the Company is committed to address them accordingly.

**Dorostol OHTL**

In total, 38 land plots of total area 368,854 m2 are affected by the land acquisition for the Dorostol OHTL. These are affected by the Right of Way (RoW) for the Dorostol 110 KV OHTL.

The affected land plots include private land plots owned both by individuals and legal entities, as well as 8 municipal land plots. One of the affected land plots has a category of urbanized territory for electricity production, another one (located in Polkovnik Lambrinovo) – of transport territory for side/agricultural road. The rest of the land plots have the category of agricultural land and were/are used for conducting agricultural activities or for land/ forest roads.

According to information provided by the Project proponent, the 30 land plots owned by individuals had 10 owners at the time of easement right acquisition; currently there is no evidence that the individual ownership has changed rather than succession within the family.

Detailed information on the land plots required for the Dorostol OHTL is provided in Table 5‑2 below:

Table 5‑2: Land Requirements for the Dorostol OHTL

| **Community** | **Total Number of Affected Land Plots** | **Total Area of Affected Land Plots, m2** | **Total area affected by land acquisition, m2** | **Temporary Land Take, m2** | **Permanent Land Take, m2** | **Private Land Plots** | | **Public Land Plots** | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Number** | **Area, m2** | **Number** | **Area, m2** |
| Polkovnik Lambrinovo | 1 | 2,105 | 91 | 91 | 0 | 1 | 2,105 | 0 | 0 |
| Kalipetrovo | 37 | 368,854 | 59,867 | 559,626 | 241 | 29 | 204,550 | 8 | 164,304 |

During construction works, acquisition of most of the land will be temporary (maximum for one year). After the construction, only the land for tower basements will be acquired permanently, therefore posing permanent restrictions on conducting agricultural activities. All the land plots where poles are going to be placed are acquired on permanent basis (transfer of ownership rights) to the Project developer. Other parts of the temporarily acquired land plots might be used by landowners / land users again after the construction, however there will be certain limitations on conducting agricultural activities near the OHTL[[8]](#footnote-9).

**Pelikan OHTL**

In total, 74 land plots of total area 1,316,730 m2 are affected by land acquisition for the Pelikan OHTL. These are affected by the RoW for the Pelikan 110 KV OHTL.

The affected land parcels include 61 private (owned by individuals or legal entities) and 13 public (owned by municipality or state) land plots. Most of the private land plots have a category of agricultural land; in addition, one of the private plots has a category of transport territory for side/agricultural road (this land plot is located in Polkovnik Lambrinovo where the Pelikan OHTL starts at the PV Plant). All the public land plots have a category of side/rural roads.

Detailed information on the land plots required for the Pelikan OHTL is provided in Table 5‑3 below:

Table 5‑3: Land Requirements for the Pelikan OHTL

| **Community** | **Total Number of Affected Land Plots** | **Total Area of Affected Land Plots, m2** | **Total area affected by land acqusition, m2** | **Temporary Land Take, m2** | **Permanent Land Take, m2** | **Private Land Plots** | | **Public Land Plots** | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Number** | **Area, affected by easement, m2** | **Number** | **Area, m2** |
| Polkovnik Lambrinovo | 1 | 590,202 | 411 | 382.5 | 28.5 | 1 | 590,202 | 0 | 0 |
| Kalipetrovo | 56 | 574,952 | 81,420.41 | 81,131 | 289.41 | 45 | 376,499 | 11 | 198,453 |
| Aydemir | 17 | 151, 578 | 20 623 | 20,515.80 | 107.20 | 15 | 141659 | 2 | 9919 |

Similar to the Dorostol OHTL, acquisition of most of the land for the Pelikan OHTL will be temporary (maximum for one year). After the construction, only the land for tower basements (poles) will be acquired permanently, therefore posing permanent restrictions on conducting agricultural activities. Other parts of the temporarily acquired land plots might be further used by landowners / land users again after the construction, however there will be certain limitations on conducting agricultural activities near the OHTL[[9]](#footnote-10).

## ECONOMIC DISPLACEMENT IMPACT

Implementation of the Project will not lead to a physical displacement (resettlement) impact.

Summary information on households and organisations affected by economic displacement is provided in Table 5‑4 below. It should be noted that same landowners / land users might be affected both by permanent and temporary land take (land is acquired temporarily for establishing easements for construction of the OHTLs and permanently for building poles for these OHTLs). In order to avoid counting the same PAPs twice, information is provided separately for (i) landowners that use their land, (ii) landowners that don’t use their land and (iii) land users not owning the land.

Table 5‑4: The Project Economic Displacement Impact – Summary Information

| **Facility** | **Communities** | **Land Category** | **Land Acquisition Timeline** | **Total Number of Affected Land Plots** | **Number of Private Land Plots** | **Number of Public Land Plots** | **Affected Households and Organisations** |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Dorostol OHTL | Kalipetrovo, Polkovnik Lambrinovo | Agricultural land category (mostly used for agricultural activities, few of them are used as side roads) | June-July 2022 | 38 | 30 | 8 | **Affected Households – 10:**   * Landowners and land users (both own and use land): None; * Landowners only (own but don’t use land): 10; * Land users only (use but don’t own land): None (only legal entities are land users, there are no individual land users).   10 individual landowners are affected by economic displacement. All the individual landowners lease their land to legal entities (businesses).  **Affected Businesses – 4:**   * Landowners and land users (both own and use land): 1 (Agra 2000 OOD); * Landowners only (own but don’t use land): None; * Land users only (use but don’t own land): 4 * ZK Zlatno Zarno; * Agro-Nikolovi OOD; * Agra 2000 OOD; * First May AD.   These are commercial companies (Agra 2000 OOD, Agro-Nikolovi EOOD and First may AD) for large scale agricultural activities and an agricultural cooperative (ZK Zlatno Zarno).  **Informal land users:** None[[10]](#footnote-11) |
| Pelikan OHTL | Polkovnik Lambrinovo, Kalipetrovo, Aydemir | Agricultural land category (mostly used for agricultural activities, few of them are used as side roads) | March-April 2023 | 74 | 61 | 13 | **Affected Households – 49:**   * Landowners and land users (both own and use land): None * Landowners only (own but don’t use land): 49 * Land users only (use but don’t own land): None   49 individual landowners are affected by economic displacement. All the individual landowners lease their land to legal entities (businesses).  **Affected Businesses:**   * Landowners and land users (both own and use land): 3 (Agra 2000 OOD, Agro-Nikolovi EOOD and SD Favorite-Atanasov and Sie); * Landowners only (own but don’t use land): None; * Land users only (use but don’t own land): 2 * ZK Zlatno Zarno; * Dobrudjanska Zemia OOD.   These are commercial companies (Agra 2000 OOD, Dobrudjanska Zemia OOD, Agro-Nikolovi EOOD and SD Favorite-Atanasov and Sie) for large scale agricultural activities and an agricultural cooperative (ZK Zlatno Zarno).  **Informal land users:** None |

Most of the land plots affected by the Pelikan and Dorostol OHTL routes have the status of agricultural land, with a few of them having the status of urbanised territory. Most of the land plots for Pelikan and Dorostol OHTL routes were acquired via easement agreements, and some of them (where the poles for both OHTLs are to be located) were acquired on permanent basis with the Company owning the land. The agricultural land plots are still used for conducting large scale farming/agricultural activities.

the same landowners / land users are affected both by permanent and temporary land take (land is acquired temporarily for establishing easements for construction of the OHTLs and permanently for building poles for these OHTLs).

Organisations conducting agricultural activities along the OHTL routes will be able to use these areas again after the construction works are completed – except for the areas for towers that are acquired permanently. According to the ESIA report, the construction works and limitations on conducting agricultural activities at areas acquired temporarily (not permanently for the towers) will not extend over the one year period.

**Applicability of the Willing Seller / Willing Buyer Principle**

According to the IFC PS 5 GN16 “*In order for acquisition of land to be considered “willing buyer/willing seller,” where the affected households voluntarily sell their property and assets, the client must not have the option of compulsory acquisition and the following conditions should apply: (i) land markets or other opportunities for the productive investment of the sales income exist; (ii) the transaction took place with the seller’s informed consent; and (iii) the seller was provided with fair compensation based on prevailing market values.* “

The Company (or other legal entity related to the Company and involved in the land acquisition process) did not have the right to resort to government authority to gain access to the land or to impose limits on land use (such as easements) if the buyer and seller couldn’t agree on a price or negotiations failed. The seller had the option to retain the land, which has been confirmed by the representatives of the administrations and affected landowners interviewed during the survey in September 16-20, 2024.

Land in Silistra municipality and in the broader Danube River area is widely used for agricultural purposes, with agricultural activities being one of the key economic activities in the area. Agricultural activities are regulated by the government; the land market is considered to be developed. There is no evidence that the seller could feel compelled to accept inadequate compensation, or that he/she lacked access to adequate information on market prices.

The transaction associated with land acquisition took place in line with provisions of the national legislation. Affected landowners were notified on acquisition of land by publishing relevant notifications and sending direct letters to landowners with information on the determined amount of compensation. The seller had the opportunity to raise an objection within a 14-day term (see sections 3.1.2 and 8.2.2). Though more extensive engagement could have taken place (in particular, related to conducting meetings with affected people in person to inform them on land acquisition process and its key stages), it is considered that generally the transaction took place with the seller’s informed consent.

The compensation has been paid based on prevailing market values. The affected people interviewed have not indicated that the compensation was unfair or inadequate. In addition, no grievances or court cases related to land acquisition were raised. Representatives of the administrations interviewed have also not reported any issues related to unfair or inadequate compensation. The administrations have not reported any court cases or grievances they are aware of associated with land acquisition (though as reported by the interviewed representatives of the administrations, it is a usual practice for landowners in Silistra municipality to lodge grievances or inform the administrations on the land-related issues if they arise). Therefore, it is considered that compensation was fair and in line with prevailing market values.

Considering the above, the land acquisition process has been conducted on willing seller / willing buyer basis as per the IFC PS 5 GN16.

**Potential Change of the Land Status**

Articles 17 and 17a of the Act on Protection of Agricultural Land define the procedure to be followed if the purpose/status of land must be changed from agricultural to non-agricultural land. Article 17 sets up a rather complicated procedure with approval by the state organisations aimed to protect the agricultural use of the land. Article 17a allows not to change the purpose of the agricultural land if electricity transmission lines over 110 kV are built and if each of the components of the line takes up to 100 m2 (Art. 17a, par. 2). This regulation applies to the the St George PV project for the land plots where pillars are to be located. Both for the Dorostol and Pelikan overhead lines, not more than the 100 m2 limit will be required for the pillars, and therefore no change of designation/status of land is needed.

## IMPACT ON PUBLIC INFRASTRUCTRE

There will be no impact on educational or health care facilities, churches or other social infrastructure / facilities.

According to the ESIA report, relevant impact associated with deterioration of local roads might be anticipated at the Project construction and commissioning stages due to transportation of materials (i.e. solar panels, etc.) and workers to/from the Project site.

The ESIA report determines a set of measures to mitigate these impacts, including development and implementation of the Traffic Management Plan, restoration of roads during / at the end of the construction period (as per the ESIA report, the EPC contract is to include the clause on repairing deteriorated roads). No impacts on road infrastructure during the Project operation are anticipated. The residual (post mitigation) significance of the traffic impact is assessed as minor.

Activities associated with road infrastructure as determined by the ESIA report are considered to be appropriate. These will be managed in line with provisions of the ESIA report / the Traffic Management Plan and are out of this LRP scope.

# BASELINE DATA COLLECTION METHODOLOGY

This section describes methodology for collection of socioeconomic data for the LRP purposes.

## DESKTOP ANALYSIS

During the Desktop Analysis stage, RINA analysed the following documents:

* The ESIA package (including the ESIA report, the Non Technical Summary, the Stakeholder Engagement Plan, the Environmental and Social Management Plan and the Environmental and Social Action Plan);
* Land acquisition documentation provided by the Company, including:
* Summary tables of acquired easement rights on the land plots for Dorostol and Pelikan OHTL
* Maps;
* Easement orders and documentation from the municipality of Silistra (for the Dorostol and Pelikan OHTL);
* Purchase/building rights agreements (for the 8 land plots of the PV site);
* Results of evaluation of the land plots for the PV site conducted by an independent evaluator (Valuation Reports);
* Certificate from the Municipality of Silistra as of 28.06.2024 confirming that compensation for obtaining the easement rights for the Dorostol and Pelikan OHTLs are duly paid and no complaints were raised by the affected landowners;
* Results of evaluation of all the land plots affected by Dorostol and Pelikan OHTLs conducted by an independent evaluator (Valuation Reports).

The purpose of the analysis was to:

* Identify / confirm the list of affected landowners and land users;
* Conduct gap analysis of the completed land acquisition process against the IFC Performance Standard 5.

The initial list of affected landowners and land users has been provided by the Company based on RINA’s request. It is RINA’s understanding that the Company also confirmed this list with the relevant administrations prior to providing it to RINA. The list of affected landowners and land users has been further discussed with the Project stakeholders (including mayors of local communities) during the site visit in September 16-20 (see below) and was found to reflect the correct data.

## PRIMARY DATA COLLECTION

The primary data was collected during the site visit conducted on September 16-20, 2024.

**Socioeconomic Survey**

No socioeconomic survey has been conducted during the land acquisition process completed in line with the national requirements as it is not required by the national law. Therefore, the socioeconomic survey was conducted in September 16-24, 2024 to obtain information on:

* Basic characteristics of affected households (information on demographic characteristics, household size, employment, income level, etc.) and organisations/businesses (the number employees, etc.);
* Characteristics of livelihoods;
* How the land acquisition process was carried out and whether the compensation was paid;
* Need for and types of livelihood restoration support to be potentially provided to affected households and organisations;
* Information on vulnerable groups or persons that might require special assistance during the land acquisition and livelihood restoration processes, etc.

The questionnaire is provided in Appendix A.

**Asset Inventory**

The asset inventory for the Dorostol and Pelikan OHTLs has been conducted in 2010/2012 and 2022/2023 respectively. However, asset inventory for the OHTLs has been conducted while obtaining easement rights for land only. No inventory of other assets (such as structures, trees and perennial crops and annual crops) has been conducted. Inventory of assets of these types is usually conducted prior to construction.

RINA did not question the results of the inventory of land completed in 2010/2012 and 2022/2023 to avoid potential speculation around the quantity and quality of assets (land) as there is little evidence or opportunity to confirm results of the completed asset inventory retrospectively. However, RINA asked affected people whether they are satisfied with the results of the asset inventory and with the compensation paid. RINA also conducted inventory of the other assets at the time of the site visit in September 16-20, 2024. The Asset Inventory Sheet is provided in Appendix A.

The date of completion of the asset inventory was fixed as the cut-off date. The PAPs were informed that information collected during the asset inventory will be considered final (no further changes will be made) and will inform preparation of the LRP.

**Focus Group Discussions and Interviews with Stakeholders**

The Focus Group Discussions (FGDs) and interviews were conducted to obtain qualitative information on affected people and organisations, livelihood activities, vulnerabilities and potential support to be provided. Information on the conducted FGDs and interviews with stakeholders is provided in Table 6‑1 below:

Table 6‑1: Focus Groups and Interviews Conducted during September 16-20, 2024[[11]](#footnote-12)

| **Stakeholder Group** | **Description (if relevant)** | **Format** | **Issues to Discuss** |
| --- | --- | --- | --- |
| Women | Women affected by economic displacement, including female landowners / land users or members of the affected households. If potential participants of the FGD were not able to attend the group discussion, they were interviewed individually. | FGD, interviews | * Clarification of the list of affected landowners and land users; * Land acquisition process; * Information on grievances and/or court cases; * Specific impacts on women associated with land acquisition; * Information on vulnerable groups and/including women; * Potential livelihood restoration support. |
| Vulnerable groups | Vulnerable groups affected by economic displacement (see more information on categories of the vulnerable groups in Section 13).  If potential participants of the FGD were not able to attend the group discussion, they were interviewed individually. | FGD, interviews | * Clarification of the list of affected landowners and land users; * Land acquisition process; * Information on grievances and/or court cases; * Impacts associated with land acquisition; * Information on vulnerable groups and/including women; * Potential livelihood restoration support. |
| Local and district administrations | The following meetings were conducted:   * Municipality of Silistra – Deputy Mayor and Chief Architect; * Mayor of Polkovnik Lambrinovo; * Mayor of Kalipetrovo; * Mayor of Aydemir. | Interviews | * Clarification of the list of affected landowners and land users; * Land acquisition process; * Information on grievances and/or court cases; * Impacts associated with land acquisition; * Information on vulnerable groups and/including women; * Potential livelihood restoration support. |
| NGOs | * NGO Paralel-Silistra; * Women’s association Ekaterina Karavelova * Future of Silistra. | FGD, interviews | * Information on NGOs and their activities in the area; * Impacts associated with land acquisition; * Information on vulnerable groups and/including women; * Potential livelihood restoration support to PAPs. |

The guides for the FGDs and interviews are provided in Appendix B.

Information obtained during the socioeconomic survey, asset inventory, FGDs and interviews informed preparation of the LRP. It is used for discussing baseline characteristics of the affected people / organisations, assessment of relevant economic displacement impacts, development of entitlement matrix and livelihood restoration measures. It will also inform the further monitoring of the livelihood restoration activities.

## SCOPE OF THE PRIMARY DATA COLLECTION

During the site visit in September 16-20, 2024, RINA aimed to cover 100% of the households/organisations affected by economic displacement with relevant arrangements being made by the Company to organise meetings. Information on the number of affected landowners / land users interviewed and on the number of FGDs’ participants (supplemented by individual interviews) is provided below:

Table 6‑2: Sampling for the Socioeconomic Survey and Asset Inventory

| **Categories of Economically Displaced People** | **Number of PAPs** | **Sampling Strategy** | **Achieved Sample Size (Number of PAPs)** | **Comment** |
| --- | --- | --- | --- | --- |
| **Dorostol OHTL** | | | | |
| Landowners and land users | 1 | All PAPs (100%) | 1 (100%) | - |
| Landowners only | 10 | All PAPs (100%) | 5 (50%) | RINA interviewed all the landowners whose contacts were available.  There was no opportunity to speak with the remaining 5 landowners. Notification letters were sent to the addresses of these landowners by post with an invitation to take part in the survey with no response being provided. No further contact details have been provided by the Company or local / district administration to facilitate communication. |
| Land users only | 4 | All PAPs (100%) | 3 (75%) | RINA interviewed all the land users who were available.  The Company made efforts to approach the fourth agricultural company operating in the area (its contacts were also double checked with the administrations), however it couldn’t be reached. |
| **Pelikan OHTL** | | | | |
| Landowners and land users | 3 | All PAPs (100%) | 2 (67%) | RINA interviewed all the landowners who use their land who were available.  The Company made efforts to approach the third agricultural company operating in the area (its contacts were also double checked with the administrations), however it couldn’t be reached. |
| Landowners only | 49 | All PAPs (100%) | 22 (45%) | RINA interviewed all the landowners who were available.  6 landowners (in addition to 22 interviewed) refused to have a meeting after being approached by the Company (due to lack of interest, etc.).  There was no opportunity to speak with the remaining 21 landowners.  Notification letters were sent to the addresses of these landowners by post with an invitation to take part in the survey with no response being provided. No further contact details have been provided by the Company or local / district administration to facilitate communication. When further clarifying the list of landowners and contact details with the administrations, it has been identified that some of the landowners are deceased, some don’t reside in Silistra municipality, or their contact details are not available. |
| Land users only | 2 | All PAPs (100%) | 2 (100%) | - |

No informal land users were affected by the Project. The area is extensively used for agricultural purposes, with all the land plots being allocated to specific land users. There is no practice of informal land use in the region, which has been confirmed by all the administrations and PAPs interviewed during the survey in September 16-20, 2024.

As demonstrated in Table 6‑2, the following landowners and/or land users were covered by the survey and asset inventory:

* The majority of the landowners who use their land;
* Almost all the land users that lease land (i.e. land users only);
* Approximately 50% of the affected landowners. These are individuals not using their land but leasing it to agricultural cooperatives (land users discussed above). As discussed above, efforts were made to meet all the landowners, however some of them refused to meet, were deceased or living outside Silistra municipality, had no up-to-date contact details, etc.).

Considering that vast majority of land users were covered and the sample made for the affected landowners (that mostly share the same pattern of leasing their land plots to agricultural cooperatives who use their land and were contacted as land users – see above), information collected during the survey and asset inventory in September 16-20, 2024 is considered sufficient and appropriate for the LRP purposes (for analysis of the land acquisition process, including compensation provided and stakeholder engagement, development of entitlement matrix and livelihood restoration measures, etc.).

The Company will continue identification of the affected landowners and land users that have not been covered by the survey in September 16-20, 2024 in the course of implementation of this LRP. In addition, the Company will ensure implementation of the grievance mechanism that will also provide an opportunity for identification of PAPs potentially not covered by the LRP process (Section 9).

Information on the conducted FGDs and interviews with representatives of relevant groups and organisations is provided in Table 6‑3 below:

Table 6‑3: Approach to Focus Group Discussions and Interviews

| **Stakeholder Group** | **Format** | **Sampling Strategy** | **Achieved Sample Size (Number of PAPs)** | **Comment** |
| --- | --- | --- | --- | --- |
| Women | FGD, interviews | 1 FGD (6-8 people) | 1 FGD of 3 persons  and  9 individual interviews with women (landowners) | Given the limited overall number of women affected, and in order to avoid persons’ fatigue due to participation both in FGD and individual interviews, the number of participants in the FGD was 3 persons. However, the FGD was supplemented by individual interviews with women (affected landowners). The collected information is considered sufficient for the LRP purposes. |
| Vulnerable groups | FGD, interviews | 1 FGD (6-8 people) | 1 FGD of 2 persons  and  8 individual interviews with vulnerable persons (landowners) | Given the limited overall number of vulnerable persons affected, and in order to avoid persons’ fatigue due to participation both in FGD and individual interviews, the number of participants in the FGD was 2 persons. However, the FGD was supplemented by individual interviews with vulnerable persons (affected landowners). The collected information is considered sufficient for the LRP purposes. |
| Local and district administrations | Interviews | All administrations | All administrations | All the planned interviews with representatives of administrations of municipal and local levels have been conducted. |
| NGOs | FGD, interviews | All NGOs | 1 FGD with 2 NGOs:   * NGO Paralel-Silistra; * Future of Silistra;   and 1 interview:   * Women’s association Ekaterina Karavelova. | RINA conducted meetings with all the local NGOs that are active, had contact details and were available to meet (the meetings were arranged by the Company).  Along with the other NGOs in the area[[12]](#footnote-13), the Company made an effort to arrange a meeting with the Association of Grain Producers of Near-Danube Dobrudja Region (based in Silistra). However, limited information on the contact details of this association is available in the public domain by which the association could not be reached. |

Information collected during the FGDs and individual interviews is considered sufficient for the LRP purposes.

## SURVEY TEAM

The survey team consisted of three local and one international social experts, including:

* Senior Social and Legal Expert (fluent in Bulgarian);
* Socioeconomic Expert (fluent in Bulgarian);
* Socioeconomic Expert (fluent in Bulgarian);
* Senior Social Expert (international expert, team lead).

One of the local experts was female. Her gender and fluency in Bulgarian have her the advantage in communication with women affected by economic displacement and in conducting the relevant FGD. Fluency in Bulgarian also ensured effective communication with affected landowners and land users, as well as with other stakeholders.

The survey team has been also supported remotely by the appraiser licensed according to the Bulgarian regulations[[13]](#footnote-14), as well as by another International Senior Social Expert.

Prior to commencement of the survey activities, the team was provided with training on the fieldwork to be carried out, such as key talking points to disclose to the affected people regarding the purpose of the LRP and the survey / asset inventory, and communication protocols to take into account when interacting with affected people.

A leaflet with brief information on the Project, the LRP development process and grievance mechanism will be prepared to facilitate communication with affected people/organisations as part of the site visit (Appendix C).

## DATA LIMITATIONS

The following data limitations have been identified in the course of the LRP development:

* Some land plots on which easement rights (temporary land take) were established were owned by companies associated with R-Engineering prior the purchase by Rezolv Energy. RINA did not investigate how these land plots were initially acquired by the companies – such investigation has been only conducted for the land plots acquired for the PV site on permanent basis (Section 7.1);
* Not all the landowners and land users were covered by the socioeconomic survey and asset inventory conducted in September 19-20, 2024 due to relevant limitations associated with contacting them. These limitations are considered in detail in Section 6.3 above. However, considering that vast majority of land users were covered and the sample made for the affected landowners (that mostly share the same pattern of leasing their land plots to agricultural cooperatives who use their land and were contacted as land users – see above), information collected during the survey and asset inventory in September 16-20, 2024 is considered sufficient (for analysis of the land acquisition process, including compensation provided and stakeholder engagement, development of entitlement matrix and livelihood restoration measures, etc.) and appropriate for the LRP purposes.

It is the opinion of the RINA team that the limitations described above do not undermine the integrity of the LRP. However, the livelihood restoration process is an iterative approach that might be reviewed and adjusted as necessary as more information becomes available and/or throughout the LRP implementation.

# SOCIOECONOMIC PROFILE OF COMMUNITIES AND AFFECTED PEOPLE

## Overview of Communities

The Project affects the communities (villages) of Aydemir, Kalipetrovo and Polkovnik Lambrinovo in the municipality of Silistra. The villages of Aydemir and Kalipetrovo are located near the city of Silistra, and in previous years, they were neighbourhoods of the city. Polkovnik Lambrinovo is a small village located near the villages of Aydemir and Kalipetrovo.

Aydemir is the largest village in Bulgaria by population as of September 15, 2022. The village is located 2 km south of the Danube River and 6 km west of the center of Silistra. It is in the Aydemir lowland with a total area of 1,115 decares. It consists of 3 parts - Tataritsa (the western part), Aydemir (the central part) and Delenki (the eastern part). Just 200 meters east of Delenki is the western industrial area of Silistra.

The village of Kalipetrovo is located approximately 2 km south of the town of Silistra. In the 1970s and 1980s, it was part of Silistra, however later it became an independent village. The village has a regular bus connection to Silistra, as well as a good train connection with Samuil. In the village and its surrounding areas, there are several enterprises that play an important role in the economic development of both Kalipetrovo and the regional center Silistra.

The village of Polkovnik Lambrinovo is located 13 km southwest of Silistra. The northern part of the village is on flat terrain, while the southern part is on a slope.

Table 3‑1Table 7‑1 below provides an overview of demographic characteristics of the communities.

Table 7‑1: Demographic Details of the Communities

| **Name of Community** | **Distance from the PV site, m** | **Distance from the OHTL, m[[14]](#footnote-15)** | **Population** | **Of Which Women** |
| --- | --- | --- | --- | --- |
| Aydemir | 4,160 | 1,115 | 5,132 | 2,634 |
| Kalipetrovo | 3,290 | 975 | 3,248 | 1,674 |
| Polkovnik Lambrinovo | 0 | 0 | 140 | 72 |

Source: NSI, Statistics, 2023.

The villages of Aydemir and Kalipetrovo, within the last two censuses (2011, 2021), have lost about 20% of their population, mainly due to migration to the city of Silistra. However, the village of Polkovnik Lambrinovo has doubled the number of its residents as a result of the opposite process of looking for housing in small communities near the regional center with the possibility of remote work and/or recreation.

The Bulgarian ethnic group is dominant. People from the Turkish ethnic group, according to their self-determination, have a relative share of 12% in the village of Kalipetrovo and 8% in the village of Aydemir. The Roma ethnic group has a share of about 8% for the village of Kalipetrovo. However, the Roma population in Bulgaria is not nomadic, they are usually not involved in informal land use practices as such practices are strictly regulated by the government. In the villages of Aydemir and Polkovnik Lambrinovo, there are almost no people from the Roma ethnic group.

The leading religion in all affected villages is Orthodox Christianity. There is a lack of specific demographic data for the population of the communities, however the general demographic shows that the population consists mainly of elderly people. The population in the affected villages is decreasing, with most young people migrating to larger cities (such as Silistra, Varna and Ruse). According to the ESIA report and the SEP, there are no internally displaced persons in the affected villages, however there is a large number of vulnerable groups, including people with disabilities, elderly, female-headed households, unemployed young people, orphans and members of low-income households. There is a home for adults with physical disabilities in the village of Aydemir.

There are no schools in the villages of Aydemir and Polkovnik Lambrinovo, and the children from the villages are transported to the town of Silistra. In the village of Kalipetrovo, there is a primary school for children up to 8th grade. There are also kindergartens/nurseries in Aydemir and Kalipetrovo.

There are community centers in the villages of Aydemir and Kalipetrovo (no community centers are present in Polkovnik Lambrinovo village).

The health care services in the discussed villages are mainly represented by individual doctors’ practices (General Practitioners). In the village of Aydemir, there are four primary medical care practices, and in the village of Kalipetrovo – two primary medical care practices. The population of Polkovnik Lambrinovo uses medical services provided in Silistra or neighbouring villages as there are no services of that kind in the village. In the town of Silistra, there is a Multispecialty Hospital for active treatment, as well as a Center for Emergency Medical Assistance. Emergency assistance is provided by ambulances of the municipal emergency medical assistance center, which respond within about 30 minutes, depending on the community.

The land in the affected villages is mainly used for agricultural purposes. The cultivated crops are mainly one-year wheat, sunflower and corn, there is also a small percentage of permanent plantations of fruit trees. There are limited quantities of grapes grown for trade as well. In most cases, the land is cultivated by cooperatives or large-scale farmers and, in rare cases, by small-scale farmers.

There are no industrial or large-scale processing plants or facilities.

The main supplier of electricity for households in the affected villages is ‘ENERGO-PRO’. The electricity supply in the villages is stable, power outages are rare and mostly planned. The majority of household heating is done with electrical appliances, mainly air conditioners, but still part of the population is heated with unprocessed wood. Part of the population uses bottled gas, mostly for cooking. Bottle replacement is done at almost every gas station in the area. The water supply to the communities is through a central water supply system, and for the villages of Aydemir and Kalipetrovo, a domestic sewage system has been built. In the village of Polkovnik Lambrinovo, a private photovoltaic roof plant has been built for the own needs of one of the local companies.

In all three villages, garbage collection and garbage disposal are well organized.

The houses in the villages were built mainly between 1960 and 1990, and some of them in the last 5 years. The houses are mostly one or two-story structures, and built of mixed materials (concrete, brick and wood), with an average area of up to 100 m2. About 20% of the houses in the villages are uninhabited. Most of the houses in the villages are in good condition, and in recent years some of them have been repaired, mainly the roof structures, but in many of the houses the external windows have also been replaced. In recent years, as a result of the COVID-19 pandemic and therefore the possibilities for remote work, the tendency to purchase properties for renovation or new construction has been observed in the area.

Almost every household living in the affected villages has its own car. Almost all households living in the affected villages have mobile phones. The local population has access to the Internet through their mobile phones or through various local or national service providers. The main roads to the villages are paved. The internal roads in the settlements are also asphalted and in good condition.

In the villages of Aydemir and Kalipetrovo there are two-star hotels. The proximity of the villages to the "Srebarna" natural reserve determines the profile of accommodation as seasonal (seasonal activities include hiking, bird watching, etc.), without ensuring full occupancy of the accommodation.

In terms of public transport, the village of Kalipetrovo has a regular bus route, (No. 5 - Silistra – Kalipetrovo) with a frequency of buses in both directions, every 20 minutes. The village of Aydemir (Tataritsa quarter) also has a bus route (No. 2 - Silistra - Aydemir, Tataritsa quarter), which operates according to an established schedule on weekdays with a frequency of buses in both directions, every 30 minutes. There is no public bus route to the village of Polkovnik Lambrinovo.

## Socioeconomic Characteristics of Affected Households and Organisations

In total, 59 households will be affected by the Project-related land acquisition – 10 by the Dorostol OHTL and 49 by the Pelikan OHTL. 20 affected households along the Pelikan OHTL and 5 affected households along the Dorostol OHTL were interviewed during the preparation of this LRP. 6 of the PAPs along the Pelikan OHTL were approached and refused to take part in the interviews.

In addition, 1 large agricultural cooperative and 3 medium to large scale agricultural companies (out of 4), which operate almost 100% of the affected land plots were interviewed during the site visit on September 16-20, 2024.

In total, 53% of the affected households (including those who refused to meet) and 75% of affected businesses were approached during the socioeconomic survey (see Sections 6).

The results of this study are provided below. Information on baseline socioeconomic characteristics of the affected households and organisations might be updated as appropriate in the course of the LRP implementation.

### Gender and Age Distribution

Out of the interviewed households, 26% (7 households) are headed by a woman, while 74% (18 households) are headed by a man. Out of the 7 female household heads, 3 (approximately 50%) are unmarried, divorced or widowed women who have no adult male supporter in the family. See Figure 7‑1 below.

Figure 7‑1: Head of Household Distribution by Sex

The average age of household heads is 63, with male heads on average 62 years old and female heads on average 66 years old. See Figure 7‑2 below.

Figure 7‑2: Average Age of Household Heads

3 out of 25 surveyed Project Affected Households (PAHs) reported having children aged under 18 in their households. Each family has 1 or 2 children, and the total number of children is 5. All of them are enrolled in schools.

In addition, there are 22 elderly people aged over 65 living in 13 households. This situation corresponds to the statistical information about the district which was reported after last census carried out in Bulgaria in 2022 for prevailing elderly population in Silistra district.

The interviewed PAHs have reported an equal ratio of 50/50 men and women in the affected households. Information on age and gender characteristics is provided in Figure 7‑3 and Figure 7‑4.

Figure ‑: Age Groups

Figure ‑: Distribution by Gender

### Level of Education

Members of the affected households have the following level of education:

* 5 children attend primary or secondary school;
* 9 persons have a completed secondary education;
* 27 have obtained vocational training; and
* 15 have a university or higher institute degree.

The results of the education level of the PAPs are presented in Figure 7‑5 below:

Figure 7‑5: Education Level of the PAPs

### Residency Status and Household Size

Out of the 25 households interviewed, 23 households (92%) live in Silistra municipality on a permanent basis and 2 live in bigger cities (Sofia and Varna). None of the PAPs lives on the land plots affected. All of interviewed PAPs reside in their own apartments/ houses.

Most of the interviewed PAHs consist of two people – husband and wife or parent and adult child living together. The average size of the PAHs is 2.34 people.

All of them own basic household appliances such as washing machine, TV, refrigerator, have access to internet and own a mobile phone. Only some of the elderly people had no personal computers and cars, however as they explained, this is because of their age.

### Employment, Income Sources & Expenditures

**Household Income**

Although it was explained that the questions regarding income and expenses will be used only for the LRP and will be kept strictly confidential, most of the interviewed PAPs were not comfortable with sharing the exact amount of their income and expenditures. Information on income of those PAPs that shared this information is provided in Figure 7‑6 below:

Figure 7‑6: Income Groups[[15]](#footnote-16)

All the interviewed PAPs confirmed that their income is sufficient enough to cover the households’ monthly expenses. The main expenses relate to food and utility bills; other relate to the place of residence (taxes, repairs, etc.). It should be noted that all the respondents lived in their own houses or flats, and therefore they have not reported rent to be an expense. Health, business and transport were also reported as areas of expenditure. None of the PAPs has reported having debt or credit as expenditure type.

Almost half of the respondents (48%) reported that their current main source of income derives from their pension, while 20% said their primary source of income relates to salaries received as employees of private businesses. 11% of the respondents (6 PAPs) are working as a government or local authority employee / civil servant. Only a small portion of respondents have their main source of income from running a small self-employed business, 4% or 2 PAPs. For further details see Figure 7‑9 below.

Figure 7‑7: Primary Occupation of the PAPs

Only a small portion of the interviewed PAPs have a secondary occupation, namely 9 persons or 17%. The main activity for 6 persons (67% of those having a secondary occupation) is running medium to large scale farming business, running a small self-employed business - 2 persons (22%) and being an employee of private business – 1 person (11%). See Figure 7-8 below. It must be noted that some of the interviewed pensioners were economically active people in the age group of 60-70 years old; they reported that they own and operate agricultural or other type of businesses. These businesses are considered as secondary occupation for them as their primary occupation is considered to be pension payments.

Figure 7‑8: Secondary Occupation of the PAPs

For 45% of the interviewed PAPs the main source of income is their pension, for 35% - their salary, for 10% - income from running their own business and for 10% - income from conducting agricultural activities.

When conducting agricultural activities was reported as being the main source of income, this relates to rent income received from renting out agricultural land lease. No PAPs have reported that they conduct agricultural activities on their own as their main source of income. The data is demonstrated in Figure 7‑9 below.

Figure 7‑9: Main Source of Income

Rent from lease of agricultural land is the 1st supplemental income for majority of the PAHs. For some of them, income from pensions or social support payments was also reported as another 1st supplemental source of income.

Only 1 respondent stated that he has a secondary supplemental source of income which relates to pension.

### Affected organisations

There are altogether 6 affected organisations by the Project: one agricultural cooperative and 5 agricultural companies in the region. These 6 organisations use 100% of the land plots affected by the two OHTLs. 3 of the agricultural companies are also owners of several land plots affected by the Project. These organisations conduct agricultural activities on a large-scale basis using modern agricultural mashinery. The agricultural activities they conduct relate only to production of wheat, corn, sunflower seeds or rapeseed. They farm between 6 000 000 and 13 000 000 m2 of agricultural land each (or more). The agricultural companies employ between 4 and 12 employees each whereas the agricultural cooperative employes 35 people. Due to the nature of the employment (engaged employees are mostly operators of large agricultural maschines), the majority of the employed staff are male. All of the interviewed organisations stated that the Project will not have any effects on their employees like reduction of salary, dismissal of employees, suspension of employees’ work, etc.

The average turnover of the named agricultural companies during the last 3 years was between 2 and 8 million BGN (1 and 4 million Euro) and for the cooperative – above 10 million BGN (5 million Euro). Representatives of all the organisations confirmed that their organisations are profitable and pay regular rent once a year to the owners who have leased them their land plots.

# STAKEHOLDER ENGAGEMENT

## Objectives and Principles

Information disclosure and consultation activities focused on people affected by land acquisition and economic displacement is a key component of the LRP preparation and implementation processes. The key principles of engagement activities are as follows:

* **Disclosure of information:** The Project will provide accurate information on the Project activities, livelihood restoration strategy and other information important to people whose livelihoods are affected. Information will be disclosed in a timely manner. In particular, the Company has already disclosed the ESIA package on Rezolv Energy website. The Company will disclose the draft and final LRP. In addition, the Company will prepare a leaflet with brief information on the Project and livelihood restoration process and the grievance mechanism to be distributed among the PAPs throughout the LRP development and implementation;
* **Meaningful participation:** the Company is committed to engagement with people affected by economic displacement in an open and culturally appropriate manner aimed. It will facilitate participation of affected people in activities related to livelihood restoration planning and the LRP implementation; and
* **Engagement of vulnerable people and gender sensitivity:** the Company acknowledges that there might be individuals and groups differentially or disproportionately affected by the Project because of their disadvantaged or vulnerable status. The Company will make effort to identify vulnerable members of households affected by economic displacement, engage them in livelihood restoration planning and implementation processes, as well as to provide them relevant assistance. The Company also acknowledges that women might be affected differently than men and will make effort to ensure equal participation of both men and women in the livelihood restoration process. In particular, gender-specific aspects will be considered as part of the socioeconomic survey, focus groups with women will be conducted, etc.;
* **Good faith negotiation:** the Company will aim to establish and maintain good relationships with affected people and communities. In particular, the Company will make effort to establish two-way communication with affected people and come to agreement with affected people regarding any challenges in a respectful and proactive manner;
* **Ongoing engagement:** The Company will ensure ongoing engagement with affected people via information disclosure and consultation activities, reporting and functioning of the grievance mechanism.

The engagement process for this LRP is conducted within the broader framework of stakeholder engagement activities determined by the SEP.

## Previous Stakeholder Engagement

The Project Company is committed to engagement with the Project stakeholders on an ongoing basis and in a culturally appropriate manner. To facilitate this process, a Stakeholder Engagement Plan (SEP) has been prepared as a standalone document.

This section provides the summary of the Project-related stakeholder engagement activities that have been undertaken to date.

### Community Liaison Officer

The Project has appointed a Community Liaison Officer (CLO) to coordinate stakeholder engagement activities in the Project area. The role of the CLO is as follows:

* Proactively maintain good relationships with affected communities, the local mayor, local authorities and district authorities;
* Provide assistance in arranging community meetings to share information on the Project and discuss relevant issues;
* Identify any land-related issues and address potential issues with landowners and land users;
* Identify, track and resolve any potential issues that may occur to third parties during construction works;
* Assist third parties in accessing the Project site during construction (as necessary);
* Manage the Project’s Grievance Mechanism and serve as a focal point for communication with affected communities and other stakeholders.

### Completed Stakeholder Engagement Activities

During the land acquisition process, the stakeholder engagement activities included communication with the affected landowners/ users regarding the investment proposal for the Project. There were two points in time when the affected persons were notified:

1. The communication was conducted by the local authorities via publishing posters at public places in the municipality and notifying the owners whose properties were to be affected by the change in the spatial development plan regarding establishment of easement rights for the OHTLs;
2. The municipal administration also notified the owners on the determined amount of compensation and the payment of compensation. This was performed by putting posters with announcements at prominent places in the municipality, making publications in a local newspaper and sending standard letters to the addresses of the affected landowners. Any owner, after being informed about the amount of compensation, could raise an objection within a 14-day term.

Since Rezolv Energy’s / the Company’s involvement in the Project, the following types of stakeholder engagement activities have been performed:

* Engagement during the public opinion survey (“social perception survey” as per the SEP – see below);
* Formal meetings to introduce the Project to key stakeholders and interested bodies (see below);
* Public disclosure meeting / public hearing (“open day”) on 9 March 2024 (see below).

The objectives of the engagement held to date have been to:

* Identify the Project stakeholders;
* Familiarise the stakeholders with the latest plans relating to the Project;
* Disclose information on the Project and disseminate information on the Project's external grievance mechanism;
* Disclose and discuss the draft ESIA findings;
* Receive, record and address stakeholder grievances.

During the public disclosure meeting in March 2024, the following Project information has been provided:

* Project leaflet (including grievance contact information)[[16]](#footnote-17);
* Project presentation and maps;
* Draft version of the ESIA report;
* Draft version of Non Technical Summary of the ESIA report (in Bulgarian).

Table 8‑1 below contains summary information about stakeholder meetings conducted to date. More detailed information is provided in the SEP.

Table 8‑1: Conducted Stakeholder Engagement Activities

| **Stakeholder** | **Activity** | **Date** | **Issues Discussed / Data Collected** |
| --- | --- | --- | --- |
| Local businesses: logistics business, the only local cafe in the area and a local shop | Face to face Meetings | 02.01.2024, 31.01.2024 | Introduction of Rezolv Energy and the St George project to local businesses. |
| Community/village members in the Polkovnik Lambrinovo and Silistra communities | Face to face Meetings | 14.02.2024 | Provided information on the updated Project and the findings of the ESIA process. During the meeting, the following proposals/questions were raised:   * The possibility for construction of a sound barrier between the Polkovnik Lambrinovo village and the solar plant; * Clearing of the construction waste, tree roots and other waste accumulated during the preparation of the land for the Project construction; * Complying with all the requirements aimed at maximum preservation of the environment, small plantations, tree species, requirements related to ornithology and plover nesting. |
| Deputy Mayor of Silistra | Face to face Meeting | 21.02.2024 | Introduction of Rezolv Energy and the St George project. The Deputy Mayor asked about potential support for social activities such as support for students and youth in Silistra. There was also a brief discussion on the disposal of demolition waste (concrete) near Polkovnik Lambrinovo village. Key points raised relate to complying with all the necessary requirements aiming for maximum preservation of the environment, small plantations, tree species, requirements related to the ornithology and plover nesting. |
| Regional Governor of Silistra Region, Mayor of Polkovnik Lambrinovo | Face to face Meeting | 21.02.2024 | The meeting was dominated by the issue of existing concrete waste near the village of Polkovnik Lambrinovo, which was left by the company that cleared the site of the Project. The mayor expressed his and also the villagers' concerns regarding this issue. Representative of Rezolv Energy pointed out that it is not Rezolv Energy's responsibility for the demolition waste disposal, however the company will try its best to solve the issue because it is very important to the people of Polkovnik Lambrinovo. |
| Mayor of the village Polkovnik Lambrinovo | Face to face Meeting | 14.03.2024 | Discussed outcomes of the open day and points raised during the meeting relating to the restoration road connection to the airport, construction of noise barrier. The mayor informed that a meeting of the villagers will take place on 16.03.2024 and any issues related to the construction of the solar plant will be discussed and a formal response from the community will be provided. |
| Chief architect of the Municipality of Silistra | Face to face Meeting | 15.03.2024 | Discussed requirements for obtaining formal statement by the State agency for cultural heritage of absence of cultural heritage at the site and the status of documentation issued to date as part of the original permit. The chief architect expressed his opinion that such a statement wouldn’t be necessary since there is no excavation works on site and the transmission lines are overhead. |
| Mayor of Lambrinovo | Face to face Meeting | 28.03.2024 | Feedback on the village meeting on 16.03.2024. Introduction of Rezolv Energy and the St George project, questions and answers session on production licensing process. |
| Affected communities (Polkovnik Lambrinovo, Aydemir, Kalipetrovo, Silistra) - including residents (women and men), employees of companies in the area | Face to face Meetings | 29.03.2024 | During the meetings, the project was introduced and socio-economic information gathered. The following points were raised:   * Concern for the disruption of agricultural activities; * Noise concerns, etc. |
| Mayor of Silistra, Mayor of Polkovnik Lambrinovo | Face to face Meeting | 24.04.2024 | The mayor enquired about the number of jobs the Project would create. Rezolv Energy asked about areas of interest to the municipality where Rezolv Energy could help, and the mayor pointed out that sport and youth programmes are the biggest priority for the municipality. The mayor also said that the municipality would try to help Rezolv Energy in solving the demolition waste matter. The topic about the demolition waste (concrete) and its problematic solution was dominant in the conversation. |
| Government: Energy and Water Regulator Chairman and his team, Head of Parliament Energy Committee Delyan Dobrev, Deputy head of SEDA, Deputy Minister of Energy Iva Petrova and her team | Face to face Meetings | First quarter of 2024 (no information on precise data available) | Introduction of Rezolv Energy and the St George project, business plans and the progress towards the Project construction. |

In August 2024, a public opinion survey was performed. The survey included 110 residents of the villages of Polkovnik Lambrinovo, Aydemir, Kalipetrovo, Professor Ishirkovo, Smilets and Silistra, among which certain landowners, local business owners, and government employees. When asked about the possible impact of the Project on the local community, 38% of the participants replied that the perceived impact of the Project would be positive, noting that it is likely to increase local employment, bring more funds to the local budget, and therefore contribute to the overall development of their community. Furthermore, the survey participants also mentioned the anticipated increase in the quality of life in the area due to the new investments and new roads that will be developed due to the Project. 32% had no particular opinion and 20% anticipated a negative impact on agricultural activities and potential biodiversity impacts due to the Project. More detailed information on the outcomes of the survey is reported in the SEP.

## LRP-Related Stakeholder Engagement

The Company is committed to conducting stakeholder engagement activities as part of the LRP development and implementation based on the principle of meaningful participation. The first draft of this LRP will be disclosed to and discussed with the affected people. It will be then updated and finalised based on the feedback provided.

The draft LRP will be disclosed in affected communities and Silistra[[17]](#footnote-18), as well as on the Company’s website for 30 days.

Affected people and organisations will be informed on the draft LRP by sending them letters by post (no emails are available for most of the affected landowners and land users). The letters will provide a weblink to the disclosed draft LRP, addresses where the hard copies of the draft LRP are available; they will also indicate the opportunity to request a hard copy of the draft LRP and the relevant contact details of the Company’s CLO (the CLO will provide hard copies of the draft LRP to all the affected people requesting the document with relevant delivery arrangements being made on case by case basis).

The engagement activities related to the LRP will include:

* Meetings with individual landowners to be held in Silistra and Kalipetrovo.

No people affected by the Project-related land acquisition reside in Polkovnik Lambrinovo. Only a few affected people reside in Aydemir; they will be provided with relevant transport assistance (if needed) to take part in meetings in Silistra or Kalipetrovo;

* Round table meeting with representatives of commercial agricultural organisations (land users) in Silistra.

The Company and RINA will describe the provisions of the LRP, the entitlement matrix, the livelihood restoration options and collect any feedback provided. The Company will also ensure that the opportunity is provided to give feedback by e-mail, by phone or in person to the Company’s CLO or LRP Manager.

The stakeholder engagement activities related to development and implementation of the LRP are discussed in Table 8‑2 below:

Table 8‑2: LRP-related Stakeholder Engagement Activities

| **Activity & Information to be Disclosed** | **Timeframe / Frequency** | **Target Stakeholders** | **Responsible Party** | **Materials / Methods** |
| --- | --- | --- | --- | --- |
| **LRP Preparation Phase** | | | | |
| Engagement with PAPs during the draft LRP preparation. Conducting of:   * Socioeconomic survey; * Asset inventory; * Focus groups.   See Section 6 for more detail. | September 16-20, 2024 | PAPs | RINA / the Company | LRP leaflet.  LRP questionnaire and FGDs’ guides |
| Disclose the draft LRP:   * Hard copy of the draft LRP to be made available in Silistra and Kalipetrovo; * Copy of the draft LRP to be provided to each PAP affected by economic displacement by email or in hard copy; * The draft LRP to be disclosed on the Project website. | November – December 2024 | PAPs and external stakeholders in general | The Company | LRP leaflet.  Digital and hard copies of the draft LRP (in English and Bulgarian). |
| Conduct meeting(s) in Silistra and Kalipetrovo to disclose key provisions of the draft LRP to the PAPs and obtain feedback to be reflected in the final LRP. | November 5-7, 2024 | PAPs | RINA / the Company | Presentation.  LRP leaflet.  Digital and hard copies of the final LRP. |
| Disclose the final LRP:   * Hard copy of the final LRP to be made available in Silistra and Kalipetrovo; * The final LRP to be disclosed on the Project website (any personal data will be removed from the disclosed document). | December 2024 (following approval by the Company and the lenders) | PAPs and external stakeholders in general | The Company | LRP leaflet.  Digital and hard copies of the final LRP. |
| Conduct private meetings with PAPs for negotiating and signing of supplemental compensation packages and livelihood restoration measures | November – December 2024 | PAPs | The Company | Private meetings |
| Identification of and engagement with PAPs that couldn’t be contacted during the LRP preparation (were away, etc.) | November 2024 and ongoing | PAPs | The Company | Private meetings |
| **LRP Implementation Phase** | | | | |
| Ongoing updates on status of the key LRP implementation activities | Q1 2025 and ongoing | PAPs, all external stakeholders | The Company | Progress reports.  Meetings with PAPs.  Disclosure of information on the Project website. |
| **Grievance Mechanism** | | | | |
| Disclose the grievance mechanism to be used as the primary channel for submission of resettlement claims and complaints.  Provide updates on grievances received and grievance management. | September 2024 and ongoing | PAPs | The Company | LRP leaflet.  Progress reports.  Meetings with PAPs.  Disclosure of information on the Project website. |
| **Monitoring & Evaluation** | | | | |
| Engagement with PAPs as part of internal and external monitoring.  See Section 14 for more detail. | Q1 2025 and ongoing (monthly, quarterly and annually as applicable) | PAPs | The Company | Group meetings / private meetings |
| **Completion Audit** | | | | |
| Engagement with PAPs as part of the completion audit. | 2028 (TBC) | PAPs | The Company | Group meetings / private meetings |

The Community Liaison Officer (CLO) and the LRP Manager will be engaged for the Project to facilitate the engagement activities discussed above.

## Gender Aspect of Stakeholder Engagement

The Company will make effort to ensure engagement of both women and men. During the socioeconomic survey, gender-sensitive issues were discussed. This included discussion of whether there are any activities in affected households that are carried out specifically by women, whether women might be considered for any reason more disadvantaged than men in the area (and if yes, what are the reasons for that), whether women might be particularly affected by the Project and whether any assistance should be provided to women as part of the land acquisition and livelihood restoration process.

In addition, the focus group discussion (FGD) with female members of households affected by economic displacement was conducted. During the FGD, it was discussed whether women were sufficiently engaged in the stakeholder engagement process, whether women might be particularly affected by the Project and whether any assistance to women as part of the land acquisition and livelihood restoration processes should be provided. The FGD was conducted by the female expert. In addition, the FGD was supplemented with individual interviews with female landowners that were not able to take part in the FGD.

Based on the information collected, no indicators have been identified to consider women as a vulnerable group for this LRP purposes. Both male and female landowners interviewed confirmed that they were involved in the stakeholder engagement process in the same way. Affected people did not indicate any activities specifically conducted by women in the area; no reasons for considering women to be in a more disadvantaged or vulnerable position than men in the area were reported. No specific potential impacts of the Project on women have been also indicated by the interviewees, etc. Similar replies to questions related to the potential vulnerability of women have been reported by both female and male landowners and land users, by participants of the FGD discussion with women, as well as by representatives of the NGOs which were also female.

Though no specific impacts of the Project on women were identified, throughout the course of the LRP development and implementation, the Company will make effort to sure that both women and men can participate in all information-sharing and participation activities. For all the activities to be performed, the Company will ensure that the relevant participation options for women are provided as necessary.

According to the provisions of the ESAP, the Company will conduct a Gender Based Violence and Harassment (GBVH) Risk Assessment for the Project and develop the relevant GBVH action plan. In particular, the action plan will include such measures as the development of workers’ Code of Conduct with clear provisions on GBVH, relevant training activities, etc. Opportunities to lodge grievances related to GBVH will be provided as part of the grievance mechanism determined as part of the SEP.

The Company will commit to strict implementation of the GBVH action plan and will not tolerate any GBVH as part of the land acquisition and livelihood restoration processes.

# GRIEVANCE MECHANISM

## Overview

No specific grievance mechanism was available as part of the expropriation process, as it is not required by national law. A Grievance Mechanism (GM) needs to be established in order to ensure that all comments, suggestions and grievances received from the people and organisations affected by economic displacement are received and addressed appropriately and in a timely manner.

The PAPs will be informed about the grievance mechanism during the consultation and disclosure activities. All grievances, including those related to land acquisition and livelihood restoration issues, will be recorded, responded, and resolved within a determined timeframe.

## Objectives

It is necessary to develop and implement a grievance management process designed to review, address, and respond to grievances related to land acquisition and livelihood restoration processes, as well as to record and monitor the process. The GM has the following objectives:

* Provide means for the submission of grievances by individuals, communities and other stakeholders related to the planning and implementation of the livelihood restoration activities in a transparent, constructive, timely, confidential, culturally appropriate, and accessible manner. Individuals can submit grievances anonymously. The Company will strive to accommodate any specific needs such as language, literacy level or preference in relation to the gender of the individual lodging a grievance;
* Systematically record, categorise and prioritise all grievances (even those that are presented informally or verbally) to establish statistics about households’ concerns and how these can be addressed;
* Hold the Company accountable for its commitments under the Livelihood Restoration Plan, ensuring that it meets relevant obligations and addresses any shortcomings;
* Investigate the causes of the grievances to be able to provide an informed response. An appropriate investigation will allow the Company to provide relevant solutions for addressing grievances and concerns;
* Define the maximum number of days to respond and address a grievance and keep the claimant updated on progress;
* Empower affected individuals and communities by providing them with a clear mechanism to express their concerns and seek appropriate remedies, contributing to their overall well-being and to establishing good-faith and trustworthy relationships with the Project;
* Contribute to obtaining social license to operate by the Company.

The mechanism will not involve any costs nor retribution associated with lodging a grievance. PAPs’ eligibility for compensation and other related support measures will not be affected by grievances they lodge. The Company will commit to ensuring that no stakeholders will face any reprisal or retaliation as a result of their grievance or actions taken to speak to other organisations or groups regarding the case.

## Gender Based Violence and Harassment

According to the provisions of the ESAP, the Company will conduct a GBVH Risk Assessment for the Project and develop the relevant GBVH action plan. In particular, the action plan will include such measures as the development of workers’ Code of Conduct with clear provisions on GBVH, relevant training activities, etc. Opportunities to lodge grievances related to GBVH will be provided as part of the grievance mechanism determined as part of the SEP and the LRP (this document).

The Company will commit to strict implementation of the GBVH action plan and will not tolerate any GBVH as part of the land acquisition and livelihood restoration processes.

## Grievance Management

The following procedure is proposed for the management of grievances related to land acquisition and economic displacement. The procedure operates in accordance with the guiding principles and objectives of providing fair, efficient, and effective handling of concerns and complaints. The following stages will be carried out:

* Step 1: Submission;
* Step 2: Receipt/acknowledgement;
* Step 3: Eligibility Screening and Categorisation;
* Step 4: Investigation and Response;
* Step 5: Resolution Monitoring and Close-out.

Details of each stage are provided in the below subsections.

### Stage 1: Submission

All PAPs will be able to submit their grievances and requests to the Project by employing the following methods:

* Submitting a grievance form (using the Grievance Form provided by the Company or their own form) at the grievance box to be placed at public/reachable spaces and at the entrance to the Project facilities, directly handing over to the Community Liaison Officer (CLO) assigned by the Company, or mailing to the Project office;
* Contacting the CLO via phone, email or in person;
* Logging the grievance on the Company’s website.

Submission of grievances will not incur undue costs for the complainant; opportunity to lodge grievances anonymously will be provided. The Project contact details for grievance submission are provided in Table 9‑1 below:

Table 9‑1: Contact Details for Submitting a Grievance

| **Contact Details** |
| --- |
| **Community Liaison Officer:** Iliyan Dimitrov |
| **Phone number:** +359(0)885525409 |
| **E-mail address:** stgeorge@rezolv.energy |
| **Grievance box locations:** at the site entrance and in local communities (TBC) |
| **Project website:** TBC (information on webpage giving opportunity to lodge grievances should be provided) |
| **Postal address:** TBC |

The contact details might be updated in the course of the Project implementation as needed.

### Stage 2: Receipt/Acknowledgement

All grievances received will be considered in a timely manner. In case any Company’s personnel receive a grievance, they will direct the complainant to the CLO. The grievance boxes and grievances received via the website will also be checked regularly by the CLO. In case of a verbal grievance/request, a grievance form will be created by the CLO. Detailed steps of receiving, acknowledging, and recording grievance are as follows:

* **Step 1:** When receiving a grievance, a clear explanation of the grievance handling process will be provided by the receiver to the complainant. The CLO will acknowledge the receipt of the grievance within 5 working days (in writing), using the most appropriate channel of communication for the complainant;
* **Step 2:** The CLO will record the grievance using the Grievance Log / Database regardless of the way a complaint or request is received, with key information recorded including the reference number, party submitting a grievance, date submitted, submission method, nature of grievance and its description, actions taken to investigate and verify the grievance, how and when the decision on resolution was communicated to the complainant, responsible parties for resolution, actions taken and outcomes, date of closure of the grievance, etc.

In case of anonymous grievances, the CLO will proceed with step 2 only, and the grievance will undergo the same process of further resolution.

### Stage 3: Eligibility Screening and Categorisation (up to 5 working days)

Upon receipt, the CLO will screen the grievance to establish its eligibility using the following criteria: the nature of complaint is within the scope of the LRP and the Project activities, the nature of the grievance is clear, and necessary information has been provided in order to respond to the complaint. The CLO will cooperate with the LRP Manager on grievances related to land acquisition and livelihood restoration. The CLO should undergo relevant training on the grievance management in line with the IFC PS 5 and provisions of this LRP.

If the complaint is ineligible, the CLO will inform the complainant of the reason for ineligibility, request more information if necessary, or refer the complainant to the appropriate party for management of the issue.

If the complaint is eligible, the CLO will assess it for the category and level of complexity.

**Categorisation by the Type of Issue**

Grievances will be categorised based on the topic of a grievance that may be received:

* Confusion or complaint related to the Project’s layout or area of economic displacement impact;
* Participation and information disclosure;
* Conduct of the Project staff;
* Eligibility to be considered as a PAP;
* Outcomes of asset inventory and valuation;
* Compensation offered or provided;
* Livelihood restoration or support measures;
* GBVH-related issues.

The Company may review and update the above categories as deemed suitable based on the types of grievances received throughout implementation of the LRP.

**Categorisation by Complexity**

Grievances will also be assessed for complexity, taking into account factors, including the need for involvement of third parties such as governmental authorities at higher levels or independent experts and the need for further investigation. The complaint will be assigned with one of the following levels:

* **Level 1:** Complaints and concerns that can be addressed by the Company using information and resources available to the Company (this might involve engagement of the Project (sub)contractors;
* **Level 2:** Complaints and concerns that will require the involvement of external parties that were previously identified as being relevant stakeholders for the Project (such as local administrations or agricultural cooperatives), to resolve;
* **Level 3:** Complaints and concerns that will require the involvement of external parties that have not been previously identified as being relevant stakeholders for the Project, such as independent experts, NGOs or governmental authorities at higher levels.

### Stage 4: Investigation and Response

**Tier 1 Investigation and Response (within 10 working days)**

The CLO will cooperate with the LRP Manager on grievances related to land acquisition and livelihood restoration. The CLO will follow up the grievance received and engage relevant Project staff and/or external parties as needed. As necessary, the CLO and the LRP Manager will investigate the grievance, communicate with relevant parties, seek necessary evidence for verification of the complaint, and assess resolution against national law and provisions of the IFC PS5. The complainant will be informed of the outcome of the grievance investigation, any actions or remedies to be taken and justification of decisions made, as well as on the options for appeal or on relevant judicial/administrative remedies. The CLO should endeavor to provide responses to the complaints addressed within 10 working days of confirmation of receipt and will communicate to the complainant the expected time needed to close the issue.

**Tier 2 Investigation and Response (14 working days)**

When grievances cannot be resolved during the Tier 1 grievance resolution, the complaint will be taken to a Resolution Committee. This Committee will include:

* Company’s senior management representative;
* Representative of the village or district (Silistra municipality) administration (as appropriate);
* Independent expert(s) specialized in the particular grievance issue
* EPC contractor representative (as appropriate).

The Resolution Committee will be mobilised as and when needed. The hearing of grievances by the Resolution Committee will be done within two weeks after referral. The grievance should be resolved within 2 months. The complainant will be informed of the outcome of the grievance investigation, any actions or remedies to be taken and justification of decisions made, and options for appeal or judicial/administrative remedies. The complainant will be also informed on the opportunity to approach the IFC’s Compliance Advisor Ombudsman[[18]](#footnote-19) if they believe that their grievances are not adequately addressed.

### Stage 5: Resolution Monitoring and Close-out

The CLO will oversee the implementation of the remedy or actions and ensure communication of this to the complainant and to the Resolution Committee as appropriate (during the investigation period information on the process of resolution of an open grievance will be communicated to the Committee on weekly basis). Details on the actions taken will be recorded in the grievance register, including any outstanding issues for follow up.

If complainant is satisfied with the resolution proposed, they will sign a grievance close-out form.

If complainant is not satisfied with the proposed resolution of a grievance, another round of investigation and response is conducted. If the complainant is not satisfied with the proposed resolution of grievance for the second time, it will be closed unresolved. In such cases, the Project’s efforts to investigate the grievance and to arrive at a conclusion will be well documented and the complainant will be informed on the situation accordingly.

The complainant is free to lodge a grievance through the formal judicial system of the country at any point of the grievance management process. Affected parties also have the opportunity to approach the IFC’s Compliance Advisor Ombudsman if they believe that their grievances are not adequately addressed by the Project GM (including via the Resolution Committee) or by the judicial system.

# COMPENSATION FRAMEWORK

## Approach to Compensation

The IFC Performance Standard 5 requires full replacement cost as the basis for compensation.

According to the IFC PS 5, “*When displacement cannot be avoided, the client will offer displaced communities and persons compensation for loss of assets at full replacement cost and other assistance to help them improve or restore their standards of living or livelihoods… Compensation standards will be transparent and applied consistently to all communities and persons affected by the displacement. Where livelihoods of displaced persons are land-based, or where land is collectively owned, the client will, where feasible, offer the displaced land-based compensation. The client will take possession of acquired land and related assets only after compensation has been made available and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons in addition to compensation. The client will also provide opportunities to displaced communities and persons to derive appropriate development benefits from the project*”.

“*Replacement cost is defined as the market value of the assets plus transaction costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account. Market value is defined as the value required to allow Affected Communities and persons to replace lost assets with assets of similar value. The valuation method for determining replacement cost should be documented and included in applicable Resettlement and/or Livelihood Restoration plans*”.

There are three methods commonly used in Bulgaria to calculate value of land and other assets. The basic and widely recognised approaches to valuation are:

* Income approach;
* Cost approach;
* Comparative approach.

**Income approach**

The income approach provides an indication of value by converting future cash flow to a single current value. Under the income approach, the value of an asset is determined by reference to the value of income, cash flow or cost savings generated by the asset. Depending on the specific characteristics of the valuated asset, cash flows are applied on the basis of real or nominal prices. The methods for applying the income approach are the following:

1. **Discounted cash flow method**. This method indicates a value based on revenues and expenses, by applying an appropriate discount rate to a series of forecasted cash flows, in order to discount them back to the valuation date and thus determine a present value of the asset;
2. **Capitalisation Method**. This includes conversion of operating income and expenses to a capital amount by applying an appropriate capitalisation rate. This is usually done through the capitalisation of income by applying a capitalisation rate to a representative single period; capitalisation rate should reflect all known risks.

**Cost approach**

The cost approach provides an indication of value and is based on a detailed assessment of the costs necessary for the creation or acquisition of a similar or identical asset, which has the same purpose and utility as the asset being valued. The general perception is that a potential buyer would not pay more for an asset than the cost of the creation or acquisition of a new, equivalent asset that is similar or identical to the valuated asset.

The cost approach concept, consisting of the cost of creation/acquisition of an equivalent similar/identical asset is based on the assumption that the subject of the valuation does not cost more than replacement cost for a suitable similar/identical asset having the same or comparable functions and technical and economic parameters.

The methods for applying the cost approach are the following:

1. **Method of the depreciated replacement cost.** This method is based on the determination of all direct and indirect costs of replacing the subject asset with an identical one, taking into account the different types of wear. The replacement cost should reflect all the associated direct and indirect costs of acquiring the asset that would have been incurred by a market participant in the creation of a modern equivalent asset. The assessed value of the equivalent asset is subject to adjustment for age and wear, in order to achieve the value reflecting the asset’s physical condition, functionality and economic utility;
2. **Method of the depreciated reproduction cost.** This method is based on the determination of all direct and indirect costs of reproducing the subject asset to an identical one, taking into account the different types of wear and the costs that would be incurred by a market participant in the creation of an equivalent asset. The assessed value of the equivalent asset is subject to adjustment for age and wear, in order to achieve the value reflecting the asset’s physical condition, functionality and economic utility.

**Comparative approach**

The comparative approach provides an indication of value by comparing the valuated asset to similar assets, for which there is reliable price evidence. The method for applying the comparative approach is the market comparison method. This method is based on pricing information obtained from reliable sources. In applying the method, the valuator must make a comparative analysis of qualitative and quantitative similarities and differences between the evaluated asset and the comparable assets. If necessary, the valuator may make adjustments, duly justified and disclosed in the valuation report.

In specific cases, the valuator may apply the method for assessing the liquidation value in a voluntary or forced realization (monetising) of the asset, including on a piecemeal basis. For the purposes of Bulgarian Valuation Standards, realisation means monetising or converting an asset into cash under special conditions, including on a piecemeal basis. The methods for assessing the liquidation value are the following:

1. **In a voluntary realisation**. The assessment of the liquidation value in a voluntary realisation is based on the concept that the asset needs to be realised within short deadlines, different from those typical for the ordinary realisation of such assets with appropriate market research, choice of specific time, location and other parameters. The liquidation value will also include all relevant direct and indirect costs. The voluntary realisation can be considered for the entire asset being valued or for parts of it, depending on the specific conditions and decisions adopted for the realisation, as indicated in the purpose of the valuation;
2. **In a forced realisation**. The liquidation value during forced realisation of an evaluated asset is the value that can be obtained for the asset when for some reason the seller is under pressure or compulsion to sell the asset in the shortest period of time. Forced realisation reflects the probable lowest value that can be obtained for a specific asset.

**Opinion on value**

The opinion on value is formed after applying reasonable approaches and methods during the valuation process according to the Bulgarian Valuation Standards, and is the result of the overall valuation process. The opinion on the value of an evaluated asset may be formed by using one or several methods. Before forming an opinion on value, the valuator should be confident enough in the results obtained from the approaches and methods applied, and the results of the valuation must be reliable and justified. The reported value should be clearly and unambiguously stated together with the confirmation that there had been sufficiently thorough research conducted in due manner.

## Valuation of Assets and Determination of Compensation Amount in Accordance with National Legislation and the IFC PS5

The text below describes compensation calculated in line with national requirements as part of the land acquisition process, with subsequent indication of measures to ensure that compensation is provided at full replacement cost in line with international requirements.

### Land

Land was acquired for the following Project components: the PV site and Dorostol and Pelikan OHTLs. Land was acquired through acquisition of ownership right / right to build or via easement agreements for the OHTL lines connecting the PV site to the national grid.

**Approaches to determining compensation for acquisition of ownership rights/ right to build**

The land for the PV site and some of the land plots necessary for the construction of the OHTLs Dorostol and Pelikan was acquired on permanent basis by applying willing seller-willing buyer principle. RINA analysed an appraisal report for determining the value of the assigned building right for the PV site prepared in accordance with the Bulgarian Valuation Standards (BVS) adopted and applicable by the Chamber of Independent Valuators in Bulgaria. Several land plots having the category of urbanised territory were acquired with an area of 1642358 sq.m. in the village of Polkovnik Lambrinovo, Silistra municipality.

The basis of value is the market value (i. 30.1 BVS): "*The estimated amount for which an asset or liability could change ownership on the valuation date through a transaction under market conditions between a willing buyer and a willing seller, after appropriate marketing research, where each party has acted in an informed, prudent manner and without coercion*”. When preparing the valuation, the following presumptions are used to determine the market value:

* The market value is determined for a hypothetical transaction between random market participants;
* The market value is determined under the conditions of the most complete and good use of the assessed asset.

Assessment approaches towards determining the market value include:

* Market approach – determines an indicative value by comparing an asset being evaluated with identical or similar assets for which price information is available;
* Income approach – determines an indicative value by reflecting future cash flows in a single present capital value. In this approach, the value of an asset is determined by comparing it to the value of the revenue, cash flows or cost savings generated by the asset;
* Cost approach – determines an indicative value using the economic principle that a buyer would pay no more for an asset than it would cost to acquire an asset of equal utility, whether by purchase or relevant construction.

The market approach (normative approach) was used for evaluation of the properties for the PV site. The market approach assumes that value can be determined by analysing recent transactions of similar businesses or related to similar assets. Using this approach requires a study of comparable market values, as well as a comprehensive analysis of comparative information, both from public and private sources.

When determining the market value in accordance with the market approach, a study is carried out in order to collect information on completed transactions with similar assets, as far as such information is available. However, due to the lack of reliable information of this kind, information on sale advertisements available in Internet is also considered during the asset valuation. The evaluated assets are compared with the selected offers of similar type. In each specific case a comparison is made between the most significant characteristics affecting the value of a specific asset: location, type of use, condition, physical characteristics and terms of sale, etc.

The approach assumes that an informed buyer will pay a price for the asset no higher than the cost of acquiring an asset of similar characteristics and physical conditions. The market approach should be applied when there is a developed market with a sufficient number of transactions with similar assets that can be independently analysed by using reliable sources. For this reason, this approach is used as the main one in the evaluation of residential properties, office properties, commercial premises, land, etc. – i.e. assets for which reliable market evidence can be found.

The normative value of the right to build is determined based on the Law on Municipal Taxes and Fees, taking into account the following components: Tax Assessment of the Right to Build (taking into consideration the basic tax rate for 1 sq.m.), the location factor, the coefficient for infrastructure, the coefficient for the period of construction, the total built-up area of the building.

Table 10‑1 shows evaluation results for the assets of the former airport in Polkovnik Lambrinovo (“the airport” and “Sursuluka” localities):

Table 10‑1: Evaluation Results for Assets of the Former Airport in Polkovnik Lambrinovo[[19]](#footnote-20)

| **Valuated land** | **Area sq. m** | **Market value** | | | |
| --- | --- | --- | --- | --- | --- |
| **Property value** | | **Value per sq.m** | |
| 57251.500.6 | 6358.00 | 4 760 € | 9 300 BGN | 0,75 € | 1,46 BGN |
| 57251.500.579 | 12075.00 | 9 030 € | 17 660 BGN | 0,75 € | 1,46 BGN |
| 57251.500.586 | 18 697.00 | 13 980 € | 27 350 BGN | 0,75 € | 1,46 BGN |
| 41143.128.904 | 23 204.00 | 17 350 € | 33 940 BGN | 0,75 € | 1,46 BGN |
| 57251.500.511 | 108 618.00 | 81 240 € | 158 880 BGN | 0,75 € | 1,46 BGN |
| 57251.500.590 | 581 140.00 | 434 640 € | 850 080 BGN | 0,75 € | 1,46 BGN |
| 57251.500.591 | 9 062.00 | 6 780 € | 13 260 BGN | 0,75 € | 1,46 BGN |
| 57251.500.588 | 883 204.00 | 660 550 € | 1 291 930 BGN | 0,75 € | 1,46 BGN |
| **Total:** | **1 642 358.00** | **1 228 330 €** | **2 402 400 BGN** |  |  |

The above values do not include VAT.

Nevertheless, the VAT and transaction costs were paid by the investor, and it may be concluded that the IFC PS 5 was followed in the cases of ownership rights’ acquisition for the St George PV project.

**Approaches to determining compensation for energy easements**

Two alternative methods are available for determining the amount of compensation are:

* By mutual agreement of the parties; or
* In accordance with articles 210 and 211 of the Territorial Planning Act (TPA).

First of all, the parties are given the opportunity to determine the amount of compensation when establishing energy easements on a land plot by reaching a voluntary agreement between them. In order to determine a fair amount of the compensation, the contract between the parties shall be based on an evaluation conducted by a licensed valuator. This provision was introduced in order to protect the interest of the owner of the property subject to easement.

The valuation of the property on which the energy easement will be established is made by an independent valuator. The valuator determines the value of the property used for a specific purpose at a specific point in time and in a specific market. It is reflected in the report which is to be signed and sealed. This expert valuation is a necessary prerequisite for determining the compensation and subsequent emergence of the right of easement. If the parties do not agree with the amount of compensation determined by the first independent valuator, they are free to engage some other party to conduct an appraisal until they come to an agreement. In any case they should refer to such an appraisal when determining the compensation.

If the owner of the property subject to easement and the persons who are to build or operate energy facilities fail to reach an agreement on the amount of compensation, an alternative method for determination of compensation is used. In this case, the determination of the amount of compensation is carried out in accordance with articles 210 and 211 of the TPA. According to the above provisions of the TPA, the preparation of valuation reports and the determination of the compensation amount are carried out at market prices and are determined by a commission appointed by the mayor of the municipality. The commission's decision is communicated to the affected people in accordance with the Administrative Procedure Code, and the affected persons may raise and appeal against it to the court. No such appeals or claims have been filed and all appeal periods have already expired. The amount of compensation based on the valuation is deposited into a bank account and paid to the entitled persons by order of the mayor of the municipality or an official authorized by him/her.

Despite the procedures described in detail in the law (which require mandatory payment of compensation), at the moment there is no single methodology for determining the price of the easement right regarding the construction and subsequent operation of energy facilities. However, article 65 of the Energy Act introduces the application of certain mandatory criteria when determining the amount of compensation. These criteria are listed, however no clear methodology with regard to how to use them is provided.

First of all, according to the law, the amount of the compensation is determined by the area of land within the easement boundaries. The types of restrictions on use are also important as they might be different and relate to prohibition of construction activities, prohibition of passage and parking of vehicles, prohibition of storage of materials, etc. Another very important criteria for determining the price of the easement right relates to the term for which it will be established. This term can be for months, years, and it is even possible to establish the easement indefinitely. Last but not least, when determining the amount of compensation, the law obligatorily takes into account the fair market value of the property or the part of it that falls within the boundaries of the easement.

The acquisition of easement rights for the St George PV project is detailed in several orders issued by the Mayor of Silistra municipality or the District Governor of Silistra region (Table 10‑2):

Table 10‑2: Orders on Acquisition of Easement Rights for the St George PV Project

| **Facility** | **Document** |
| --- | --- |
|
| Dorostol OHTL | * Order by District mayor CL 110kV easement rights dated 24 Jan 2012; * Order by Silistra municipality CL 110kV easement rights dated 06 Feb 2012; * Order by Silistra municipality CL 110kV easement rights dated 29 Dec 2011; * Order by Silistra municipality No. ZK-1032 regarding private property easement rights dated 30.06.2022; * Order by Silistra municipality No ZK-1031 regarding municipality roads easement rights dated 30.06.2022; * Order of district governor No DC-12-1 dated 15.07.2022 regarding easement rights on state owned property. |
| Pelikan OHTL | * Order by Silistra municipality No ZK-533 as of 31.03.2023 regarding easement rights on municipal property; * Order by Silistra municipality No ZK-655 as of 26.04.2023 regarding easement rights on private property. |

Each order specifies the amounts for payment for easement rights in relation to private, municipal or state properties. For part of the municipal and state properties, the rights are assigned free of charge according to the Energy Act. Transaction costs for payment of easement rights are determined in the orders as well and paid by the investor. It might be concluded that compensation for land while establishing easement rights is provided at market value; transaction costs are covered. Depreciation factors are not applicable. Therefore, compensation has been provided in line with the IFC PS 5.

### Trees and Perennial Crops

The national valuation method for compensating the value of trees and perennial crops is based on the following approaches and methods:

1. **Normative approach**

It applies to the prices of agricultural land determined in accordance with the Ordinance on the Procedure for Determining Prices of Agricultural LandI, per hectare. According to the Ordinance, the prices of trees and perennial crops are indicated either for each tree (shrubs, plants) or for one acre of plantations.

1. **Comparative approach**

It is based on market information containing data from actual sales or offers for products with characteristics close to the assessed property. The analyzed transactions or offers must be in the area of the object being evaluated and must have been carried out and/or offered at a time close to the date of the evaluation. The comparative approach uses the following methods for calculations:

* Method of market comparisons (analogues)

The method is applicable when market information is available. When applying the method for the assessment of trees/ perennial crops, the determining factors include the type, age, formation, planting scheme of perennial crops. The application of the method is more limited due to the specificity and biological nature of perennial crops. With certain corrections, it is determined by how much the market price of the analogue asset should be increased or decreased in order to determine the market value of the appraised asset.

* Market multiples method

The method is applicable in the presence of available market information on sales, market prices and income/profit, land rent, etc. In the process of valuation of agricultural land and trees/ perennial crops by the Method of market multipliers, proportions are drawn up between:

* the price of the land and the income/profit received from it;
* the price of the land and land rent; and
* other proportions between appropriate indicators for which sufficient and reliable information is available.

Market multiples can be calculated as an arithmetic average or a weighted average.

1. **Income approach**

The approach is based on the present value of all rights to future income that arise from the property right. The value of the asset (tree or perennial crops) represents the present value of the expected future income from it.

The main method of the Income Approach that is most widely used is:

* Discounted cash flow method

Application algorithm is as follows:

* Forecasting cash flows from income from trees, perennial crops or from agricultural land for a certain period and determining their current value;
* Determining the value of the post-forecast period depending on the applicable present value of revenue technique;
* The sum of the discounted income from the forecast and post-forecast period forms the value of trees, permanent crops or agricultural land.

The method is applicable for valuation of trees and perennial crops and in certain limited cases – for agricultural land (for example, for valuation of agricultural land that is subject to development, it is not possible or not appropriate to determine a representative annual income, agricultural land with limited property rights, etc.).

1. **Cost approach**

The approach is applicable for determining the value of perennial crops, taking into account the costs of growing perennial crops, physical, moral and economic wear and tear (see below). The calculation methods used are:

* Depreciation cost method

The reproductive value represents the value of the perennial crops necessary for the reproduction of the respective types of crops at the time of the valuation. It also includes the value of the renewal time to reach the stage of development of the plantation at the time of valuation. For the purposes of the evaluation of perennial crops using the method of depreciation reproductive value, the following should be determined: i) depreciation period (effective period of use) – fruiting period of the corresponding type of permanent plantation; ii) attrition: physical - due to aging, wear and tear, illness, inappropriate agrotechnical measures, etc.; moral - availability of new technologies and characteristics of new varieties and species, which are significantly superior to those evaluated; economic - changes in demand for resources, labour, etc.; iii) depreciation rate - relative share or percentage of annual deductions from the fruit-bearing period which is assumed to be 100%. Annual wear and tear is defined as the result of the new replacement value and the depreciation rate. Annual attrition can also be determined based on the productive potential and the yield curve of the respective type of plantation. The new reproductive value of the perennial crops represents the value of all the costs of establishing and growing the plantations at current prices at the time of valuation.

The depreciated replacement value represents the value of existing and used perennial crops determined on the basis of the new reproductive value at current prices at the time of planting of the assessed perennials and the estimated degree of wear and tear at the time of the assessment.

The assessment of the condition of the plantations when adjusting their value according to the method should reflect such indicators as: age, conditions/characteristics of perennial crops, productive potential, management method and application of agrotechnical measures; realized yields during a selected period of recent consecutive years.

* Method for determining investment value.

Assessment of trees/ perennial crops according to this method is carried out according to the following algorithm:

* The investment costs of the project to plant and grow perennial crops are determined. Operating costs by year in the periods of plant and the fruitful period for growing plantations are also determined;
* Cash flows are determined based on expected net revenues from the sale of production depending on the type of permanent plantings, the productivity curve during the operating period of the respective type and sales prices of the production; operating costs, depreciation and liquidation value;
* The risks are determined, including all types of risks accompanying the development of the project to plant and grow perennial crops. The discount rate is determined with which the expected cash flows are discounted as of the evaluation date;
* The present value of the expected net cash flows is determined. The present value of the investment costs is deducted as of the date of the assessment. The value determined after the deduction represents the investment value.
* Liquidation value of perennial crops is calculated and is admissible in the cases of expired exploitation period of the respective plantations and in compliance with the current regulations and legislation.

The asset inventory and calculation of compensation for the loss of trees and perennial crops during obtaining of easement rights for the OHTLs have not been conducted yet (the compensation has been paid for land only when obtaining the easement rights). Compensation for trees and perennial crops is to be provided at full replacement based on results of the asset inventory conducted by RINA. However, according to information collected during the socioeconomic survey and asset inventory in September 16-20, 2024, there are no trees and perennial crops at the affected land plots. This was also confirmed during the site overview conducted by the RINA team during the same period.

### Annual Crops

The asset inventory and calculation of compensation for the loss of annual crops during obtaining of easement rights for the OHTLs have not been conducted yet (the compensation has been paid for land only when obtaining the easement rights). Compensation for annual crops is to be provided at full replacement cost based on results of the asset inventory conducted by RINA.

According to information obtained during the socioeconomic survey in September 2024, the PAPs cultivate the following 4 types of crops: wheat, corn, sunflower and rapeseed (changing the cultivated crops from one year to another).

Table 10‑3: Compensation Rates for Annual Crops

| **#** | **Annual Crops** | **Compensation for Annual Crops for Harvest per 1000 sq.m., EUR** |
| --- | --- | --- |
| 1 | Wheat | 103.50 |
| 2 | Corn | 104.05 |
| 3 | Sunflower | 103.31 |
| 4 | Rapeseed | 122.85 |

The Company made a commitment to compensate for the most expensive type of crop as determined by the valuation expert. This compensation will be also dependent on the planned time period for construction activities and the disruptions to economic activities conducted by PAPs / organisations caused by the construction activities (i.e. whether affected PAPs / organisations will have the opportunity to harvest, etc.).

Calculation of the amounts of compensation payments is conducted using official European reference sources on average 5-year crops for the different types of crops grown on the project affected land (JRC MARS Bulletin Vol. 32 No 8 – 26 August 2024) and most recent data from the grain exchange for the market prices of these crops at the date of preparation of the compensation calculation (<https://zarnoborsa.com>). The calculation takes into account net revenues from crops without deductions for crops related costs (fertilizer, seeds). The methodology used is in line with the principles of the Chamber of Independent Evaluators of Bulgaria, which is member of the European Professional Organisation of Valuators.

### Structures

The compensation for structures is based on fair market value, including transaction costs. There are three main approaches for determining the Fair Market Value (FMV) of the evaluated asset (including structures): "Market Approach", "Income Approach" and "Expense Approach", as well as combinations of these. The most frequently used methods for expert evaluation of real estate (including structures) are:

1. **Method of comparative analogues (Market approach)**

In this valuation method, the value of a property (structure) is determined by direct comparison of the appraised property with other similar properties located nearby or having a similar price range (properties that have been offered, sold or rented from six months to one year of the date of the expert evaluation are considered during the comparison).

On the basis of extensive research, verification and analysis of data on recent transactions with similar properties, a valuator's opinion on the value of the appraised object is formed, taking into account all similarities and differences with the compared properties. The value determined using this method most closely reflects the price that a well-informed buyer would be willing to pay for the property (structure), based on the availability of similar properties in the area.

1. **Capitalized Income Method (Revenue Approach)**

This method is based on capitalization of the expected net cash flows that could be generated by the appraised real estate during its operation. When determining the FMV of the property, it is based on the permanently gained net annual income under the conditions of proper management and maintenance (in the case of real estate, it is usually based on the hypothesis of renting the property at Fair Market Value). The net annual income from the property (structure) is determined by deducting the following expenses from the gross income:

* Management costs;
* Insurance costs;
* Maintenance costs;
* Taxes and fees.

When determining the amount of the monthly rent, it is based on the presumption of the "best use" of the property determined by its specific location, purpose and development possibilities. The rate of capitalisation of the net income is determined after a thorough study and analysis of market transactions for rent of similar properties concluded within a reasonable period of time before the date of the expert evaluation. The capitalisation ratio is directly dependent on the return on investment for similar properties, calculated on the basis of capital values from comparable market analogues.

1. **Depreciated Replacement Cost Method (Cost Approach)**

The cost approach is based on the assumption that market participants associate value with costs, i.e. the value of a property is obtained by adding to the current costs of building such property the estimated value of land and deducting the depreciation value of the property.

The value of the land is calculated separately based on comparative analysis of sales of similar land taking into account relevant parameters such as area, location, available infrastructure, urban planning status, etc. For properties in regions where there is no well-developed real estate market and for which there is no comparable sales information, the so-called “Nageli” method is applied. This method takes into account the relevant parameters by interpolation of the gradation of different categories, as a percentage of the land value with the application of the so-called "Location Category Key".

The value of buildings and facilities is determined by considering the costs of their construction, replacement or market acquisition as of the date of the evaluation reduced by the relevant depreciation – physical, functional and economic. Costs also include legal, tax, real estate advisory services, engineering, notary fees and acquisition costs financing costs, as well as reasonable developer's profit.

Construction costs represent the cost of constructing a building with the same or equivalent functionality using current standards, materials and hourly labor rates per square meter. The value of construction works is based on the prices of construction companies operating in the area of the evaluated asset, taking into account the construction costs, the year of construction of the structure, its physical condition, the type of decoration works (i.e. plastering of walls, flooring, bathroom equipment) the quality of the construction materials used, etc.

With regard to the Project, land acquisition has been performed between 2009 and 2023 in accordance with the applicable Bulgarian regulations. National legislation includes provisions for compensating economically displaced people for affected assets and lost income from affected business (including future losses). Compensation for structures is based on market value. Transaction costs are also compensated. However, relevant deductions due to depreciation of structures are made.

The asset inventory and calculation of compensation for the loss of structures during obtaining of easement rights for the OHTLs have not been conducted yet (the compensation has been paid for land only when obtaining the easement rights). However, according to information collected during the socioeconomic survey and asset inventory in September 16-20, 2024, there are no structures at the affected land plots. This was also confirmed during the site overview conducted by the RINA team during the same period.

# ELIGIBILITY AND ENTITLEMENTS

## Eligibility

According to the national legislation, only registered (formal) landowners and land users are entitled to compensation. Under the IFC and EBRD standards, unregistered (informal) landowners and land users are also eligible for compensation, in addition to those registered. However, as discussed in Section 5.2, no informal land users are affected by the Project.

Households/organisations eligible for compensation and livelihood restoration include:

* Landowners/shareholders;
* Formal land users;
* Informal land users of public and private land plots (not affected by the Project);
* Businesses and their employees affected by economic displacement.

Eligibility is verified by the data obtained during socioeconomic survey and asset inventory for all the households/organisations affected by economic displacement.

## Cut-Off Date

According to the IFC GN 32, “*effective resettlement planning entails conducting a detailed socio-economic census of displaced persons and an inventory of affected land and assets at the household, enterprise, and community level. The date of completion of the census and assets inventory represents a cut-off date*”. “*Information regarding the cut-off date will be well documented and disseminated throughout the project area*” (IFC PS 5, i.12).

**Previous Cut-off Dates Used**

No expropriation process for the Project has been implemented with the land being acquired on willing seller – willing buyer basis (see Section 5.2 for more detail). Asset inventory for the formal landowners and land users was conducted as part of the land acquisition process completed in 2009 (for the PV site), 2012 (for the Dorostol OHTL) and 2023 (for the Pelikan OHTL). Affected households/organisations were informed on the results of the asset inventory and valuation by receiving relevant letters by post; it should be noted that compensation for land acquisition has not been completed yet as the loss of crops has not been compensated yet (there are no other assets apart from crops on the affected land plots – i.e. no structures, trees or perennial crops). The date of receiving of this letter can be considered as the cut-off date applied for the land acquisition process.

The process of establishing of the cut-off date might be considered as partly compliant with the provisions of the IFC PS 5. On the one hand, the date of receiving a letter might be considered as equivalent of a cut-off date. However, a significant amount of time has passed between receiving such letters and actual development of the Project, which could have led to further change of assets and their use after the inventory. Though informal land users were not considered in the land acquisition process in line with national requirements, as discussed above, no informal land users were affected by the Project.

**Cut-off Date Applied During Preparation of the LRP**

In September 16-20, 2024, RINA team conducted the socioeconomic survey and asset inventory. The cut-off date was announced to the PAPs when introducing the survey and asset inventory and when discussing results of the inventory after it is conducted. Thereby, the results of the asset inventory were validated by the affected persons / representatives of the affected organisations who confirmed that the inventory represents a true account of all their affected assets. This represents the cut-off date for entitlements for assets.

Some PAPs have not been covered by the socioeconomic survey and asset inventory conducted in September 16-20, 2024 (see Section 6.3), with relevant effort being further required from the Company to identify and contact them. The Company will continue identification of the remaining PAPs in the course of implementation of this LRP. The cut-off dates for these PAPs will be announced when conducting relevant socioeconomic survey and asset inventory while interviewing them (see Section 15, i. 5).

## Entitlement Matrix

The entitlement matrix presented in Table 11‑1 below describes all types of loss experienced by different categories of affected households/organisations, as well as:

* Types of compensation (entitlement) that are required by the IFC PS 5;
* Information on compensation that was provided to affected households and the status of its provision; and
* Required supplemental compensation measures to be provided and/or actions to be undertaken to achieve compliance with the IFC PS 5.

Information on livelihood restoration measures to be provided to PAPs is presented in Section 12.

Table 11‑1: Entitlement Matrix

| **Type of Loss** | **Category of Affected People / Organisation** | **Entitlements as Required by the IFC PS 5** | **Compensation Provided as Part of the Land Acquisition Process** | **Required Compensation Measures / Actions to Ensure Compliance with the IFC PS 5** |
| --- | --- | --- | --- | --- |
| **Loss of land** | Landowners/ shareholders | Option 1   * In-kind replacement of land of similar size and quality;   or  Option 2   * Cash compensation at full replacement cost.   PAPs practicing land-based livelihoods are also eligible to:   * Support to find alternative land of similar size and same or higher quality; * Assistance in obtaining official land title for the new land plot; * Other forms of assistance to ensure successful acquisition of alternative land plot by PAPs (in making relevant payments, preparing new land plot for agriculture, etc.). | The land plots have already been acquired from all the PAPs / organisations.  Asset inventory was completed in 2010-2012 and 2022-2023.  The cash compensation for land has been already paid.  The compensation for land was provided in line with national requirements and with the IFC PS5.  No support in finding alternative land plot or other form of assistance has been provided, and no efforts to clarify whether this support is needed have been made (as it is not required by the law). | Documentation on the amount of compensation determined has been provided for all the land plots affected by the OHTLs. Compensation for land was provided at full replacement cost. Provision of no additional compensation for land is required.  Most of the individual landowners lease their land plots to commercial agricultural organisations and don’t practice land-based livelihoods (compensation for the loss of rental income is considered in line “Loss of source of livelihood – Affected persons practicing enterprise-based livelihood” below).  There is no evidence that the organisations owning land plots and conducting land-based activities will need to conduct these on alternative land (as the impact will be limited). No interviewed organisations indicated that they intend to do this. Therefore, no additional assistance in acquiring alternative land and making it appropriate for conducting agricultural activities is required.  However, if throughout implementation of this LRP it is identified that a PAP/organisation is planning to continue practicing land-based livelihoods on an alternative land plot, the following assistance will be provided:   * Assistance in purchasing alternative land plot of similar value, quality and size (support in the search for alternative land plot, etc.); * Assistance in ensuring security of tenure, including legal assistance, assistance in obtaining land deed, etc.; * Support for land improvement, including land clearance (removal of rocks, trees, etc.) and levelling; * For PAPs to be displaced to new area that is lacking sufficient access to relevant infrastructure (access road, water, etc.), provide support to connect to the local networks where feasible (either in-kind or financial support).   The potential assistance will be determined on case-by-case basis. |
| Formal land users (documents supporting land use rights are provided by PAP) | No compensation for land. Cash compensation to be provided for loss of structures (and associated assets) and/or loss of annual / perennial crops and trees *(see below)* | The land plots have already been acquired.  No compensation for land for affected formal land users has been provided. | No compensation for land is required.  Provide compensation at full replacement cost for the other assets (see relevant lines for loss of structures/crops/trees below). |
| Informal land users (persons without formal evidence of ownership or use of a land plot) | No compensation for land. Cash compensation to be provided for loss of structures (and associated assets) and/or loss of annual / perennial crops and trees *(see below)* | No informal land users are affected by the Project. | N/a (no informal land users are affected). |
| **Loss of structure** | Person or organisation owning / using[[20]](#footnote-21) a non-residential structure (storage facility, shed, livestock barn, toilet, etc.), or asset (fence, etc.) | Cash compensation at full replacement cost | No structures are affected by land acquisition for the OHTLs. | N/a (no structures are affected by the land acquisition for the OHTLs). |
| **Loss of trees and perennial crops** | Owner of perennial trees and perennial crops | Cash compensation at full replacement cost | No trees or perennial crops are affected by land acquisition for the OHTLs. | N/a (no trees or perennial crops are affected by the land acquisition for the OHTLs). |
| **Loss of annual crops** | Owner / user of crops | Cash compensation at full replacement cost | The land plots have already been acquired from all the PAPs / organisations.  No asset inventory and calculation of compensation for the loss annual crops during obtaining of easement rights for the OHTLs have been conducted yet (the compensation has been paid for land only when obtaining the easement rights). | * PAPs/organisations will be allowed to harvest crops if there are crops on land prior to construction; or * Provide compensation at full replacement cost based on results of the asset inventory. According to information obtained during the socioeconomic survey in September 2024, the PAPs cultivate the following 4 types of crops: wheat, corn, sunflower and rapeseed (changing the cultivated crops from one year to another). The Company made a commitment to compensate for the most expensive type of crop as determined by the valuation expert.   The amount of compensation to be provided is to cover relevant taxes (i.e. income tax and VAT) and transaction costs.  Loss of crops might occur not only at the Project construction stage but is also applicable during the Project operation stage: access to the OHTL might be required during its maintenance. The crops might be lost due to the access of relevant machinery and conducting of occasional maintenance work.  In case conducting of maintenance work is required, compensation for the lost crops will be provided for the particular type of the lost crops. |
| **Loss of source of livelihood** | Affected persons (individual farmers) practicing land-based livelihood | * Support to find alternative land of similar size and same or higher quality; * Assistance in obtaining official land title for the new land plot; * Other forms of assistance to ensure successful acquisition of alternative land plot by a PAP (in preparing new land plot for conducting agricultural activities, etc.). | No individual landowners practicing land-based livelihoods on the affected land plots have been identified among the PAPs. | Not applicable. No individual landowners practicing land-based livelihoods on the affected land plots have been identified among the PAPs. Individual landowners rent out their land plots to the commercial agricultural organisations. Impact associated with the potential rental income is considered in the line “Affected persons / organisations practicing enterprise-based livelihood” below.  Potential loss of revenues for agricultural organisations (businesses) is also considered in the line “Affected persons / organisations practicing enterprise-based livelihood” below. |
| Affected persons practicing wage-based livelihood (employees working in businesses, including agricultural organisations affected by the Project) | * Where a person is losing employment (or employment is suspended) because the business is affected by a project, the company will provide compensation during the period required to re-establish business; * Where the business has to close, the company will provide 6 months salary as compensation to the affected employees. | No compensation for the loss of wage-based livelihood has been provided. | No impacts on persons practicing wage-based livelihoods due to the land acquisition have been identified. According to information obtained during interviews with representatives of the agricultural organisations, implementation of the Project will not lead to losing or suspension of employment of any employees. Provision of no additional compensation is required.  If in the course of the LRP implementation impacts on wage-based livelihoods are identified, the following compensation measures will be provided:   * If employment is suspended, provide cash compensation equivalent to a salary for the period of suspension to the affected employees, whose period of employment and previous income have been verified by the employer; * If business has to close, provide cash compensation equivalent to a 6-month salary to the affected employees, whose period of employment and previous income have been verified by the employer; * Provide opportunity for participation in relevant livelihood restoration programmes (see Section 12 below). |
| Affected persons / organisations practicing enterprise-based livelihood | Compensation in cash for any immoveable structures belonging to the business per replacement rates for structures.  Compensation for moving heavy equipment or the like.  Compensation or replacement of land if land is formally held.  Assistance for business relocation to a proper agreed site.  Compensation for loss of income experienced between the occurrence of the impact and the time that the business can reasonably be expected to  be reinstated (typically three to six months for small businesses in emerging economies).  Compensating for cost of physical relocation of equipment and structures, if applicable, and for any legal (reregistration) and other costs. | **For landowners:**  Compensation for the potential losses / inconveniences associated with the easement has been provided as part of the payment for establishment of the easement rights.  Individual landowners leasing their land plots to agricultural organisations (land users) might be potentially affected by the decrease of value of their land being crossed by the OHTLs, and therefore by decrease of the amount of rental income received by PAPs renting it out.  As indicated above, compensation for this potential type of loss is provided as part of the payment for establishment of easement on land plots.  In addition, as confirmed by the valuation expert, the potential decrease in value is unlikely to happen as the presence of the OHTLs will not impede conducting agricultural activities apart from during the period of the OHTLs’ construction and occasional maintenance. Decrease in value is also unlikely for land plots where OHTLs’ poles are located limiting access to the arable land (see “Loss of access to land” below). Land users interviewed during the survey conducted in September 16-20, 2024, also confirmed that the potential decrease of the rental income is unlikely to happen due to establishment of easements.  Nevertheless, compensation for the loss of access to land due to poles will be provided to landowners and land users (see below).  **For land users:**  Businesses conducting land-based activities (agricultural organisations) are affected by the Project. The following types of compensation are relevant:   * Compensation for loss of land – see above; * Compensation for loss of structures – not applicable (no structures affected); * Compensation for loss of trees and perennial crops – not applicable (no trees or perennial crops affected); * Compensation for annual crops – see above; * Compensating for cost of physical relocation of equipment and structures – not applicable, and for any legal (reregistration) and other costs – not applicable. | * Provision of compensation for loss of land – see above; * Provision of compensation for loss of access to land – see below; * Provision of opportunity for participation in relevant livelihood restoration programmes (see Section 12 below). |
| **Loss of access to land** | Landowners and land users – formal and informal | * Ensure continuous access to land if possible; * If ensuring access to land is not possible, provide compensation for loss of land and/or relevant loss of land-based livelihood. | There are some land plots along the OHTLs’ routes on which OHTLs’ poles will be placed. Access to this land will be limited as the agricultural machinery won’t be able to operate close to the poles, therefore limiting the area for conducting agricultural activities. This limitation on land user near the poles will be made on permanent basis.  No compensation for loss of access to land has been provided in line with the national legislation. | Provide compensation to landowner for the loss of land near the poles (to be calculated as permanent loss of land at full replacement cost). The lost area is determined as 300 m2 per pole.  Provide compensation at full replacement cost for the loss of annual crops to land users losing access to land near the poles:   * For land users owning the land compensation will be provided as a once-off payment; * For land users leasing the land compensation is to be provided for the current year and each remaining year of the lease agreement in place between the landowner and the land user (the usual practice is to conclude lease agreements for 5 years). If no information is available on the terms of the land lease agreement, compensation for 5 years is to be provided. |

# LIVELIHOOD RESTORATION

## Approach to Livelihood Restoration

This section describes livelihood restoration measures for PAPs impacted by economic displacement. These measures will be implemented alongside the compensation measures presented in the Entitlement Matrix (Table 11‑1).

According to the IFC PS 5, companies are required “to improve, or restore, the livelihoods and standards of living of displaced persons”. The PS 5 indicates that “cash compensation alone… is frequently insufficient to restore livelihoods”. The IFC PS 5, GN 12 recommends design of measures to improve and/or restore livelihoods that are land-based, wage-based or enterprise-based:

* Land-based livelihoods: Depending on the type of economic displacement and/or the site to which affected women and men are relocated, they may benefit from: (i) assistance in acquiring or accessing replacement land, including access to grazing land, fallow land, forest, fuel and water resources; (ii) physical preparation of farm land (e.g., clearing, leveling, access routes and soil stabilization); (iii) fencing for pasture or cropland; (iv) agricultural inputs (e.g., seeds, seedlings, fertilizer, irrigation); (v) veterinary care; (vi) small-scale credit, including rice banks, cattle banks and cash loans; and (vii) access to markets (e.g., through transportation means and improved access to information about market opportunities);
* Wage-based livelihoods: Wage earners in the affected households and communities may benefit from skills training and job placement, provisions made in contracts with project sub-contractors for temporary or longer term employment of local workers, and small-scale credit to finance start-up enterprises. Affected women and men should be given equal opportunities to benefit from such provisions;
* Enterprise-based livelihoods: Established and start-up entrepreneurs and artisans may benefit from credit or training (e.g., business planning, marketing, inventory and quality control) to expand their business and generate local employment. Clients can promote local enterprise by procuring goods and services for their projects from local suppliers.

The livelihood restoration measures provided in this section are developed based on these guidelines and the results of field survey and consultations.

## Livelihood Profile of Affected People

The livelihoods of the affected households are discussed in Chapter 7. Summary information on sources of income for the people affected by the Project is also provided in Table 12‑1 below.

Table 12‑1: Sources of Income of Affected Households[[21]](#footnote-22)

| **Type of Livelihood** | **Main Source of Income** | **1st Supplemental Source of Income** | **Supplemental Source of Income of 2nd and Below Levels** |
| --- | --- | --- | --- |
| Land-based livelihoods | 0 AHs | 3 AHs | 0 AHs |
| Wage-based livelihoods | 9 AHs | 0 | 0 |
| Enterprise-based livelihoods, (including livelihood activities related to getting rental income from leasing land) | 5 AHs | 15 AHs | 0 |
| Livelihoods based on retirement pension and social support payments | 11 AHs | 4 AHs | 1 AH |

Altogether, representatives of 25 affected households were interviewed during the LRP preparation. None of them has indicated land-based livelihoods as their main source of income.

Both wage-based livelihoods and pensions are the main sources of income for most of the affected households. The wage-based livelihoods relate to employment as civil or local authority servants and to employment in private businesses.

There are 2 people who run their own small business which are not related to agriculture.

The majority of the interviewed people stated that the rent from leasing agricultural land is their first supplemental source of income. Almost all the affected households own many land plots in the area. The area is part of Danube plain, is very fertile and has a well-developed large-scale grain farming sector. The wheat and sunflower seeds produced in Danube plain are sold on the national Bulgarian market but are also exported to the other countries. There is very limited number of land plots in the area which are not used. The affected individual landowners don’t conduct agricultural activities on the affected land on their own but receive regular rent payments from the large-scale agricultural companies or cooperatives which conduct agricultural activities and lease their land.

Some of the representatives of the affected households have also stated that payments from rent of land to agricultural producers is their main source of income. These households consist of elderly people who are pensioners but own large number of land plots so that the rent income exceed their pension income.

## Livelihood Restoration Measures

In general, the agricultural sector is one of the key economic sectors in Silistra municipality and the affected land users are established commercial agricultural producers. During the interviews conducted in September 16-20, 2024, representatives of these organisations, the affected landowners and other stakeholders (such as administrations and NGOs) did not indicate any particular challenges related to agricultural land use in the area or any specific needs of the affected lanowners leasing their land to the agricultural organisations. No particular form of assistance or support to be provided to affected landowners or land users has been also indicated.

Considering the above, it is deemed appropriate for the Company to provide general livelihood restoration measures and implement general community investment activities targeting affected communities in general in addition to the livelihood restoration support targeted at the affected landowners and land users as determined below (Table 12‑2):

Table 12‑2: Livelihood Restoration Measures

| **Livelihood Type** | **Livelihood Restoration Measures** |
| --- | --- |
| Land-based livelihoods | No individual land users affected by the Project land acquisition conduct land-based activities. Land-based activities are conducted only by the commercial agricultural organisations. During interviews conducted with representatives of these agricultural organisations, administrations and NGOs, they did not indicate any challenges associated with land use and did not suggest any type of the potential support that might be provided by the Project (the only expectation was related to receiving compensation for the lost crops).  No specific support livelihood restoration measures for land-based livelihoods are envisaged as part of this LRP. However, **various forms of assistance** might be provided under request, including the following:   * Support for land improvement, including land clearance (removal of rocks, trees, etc.) and leveling; * Assistance in fencing, etc.; * Assistance in improvement of roads to access land plots.   The support might be provided on case-by-case basis. |
| Wage-based livelihoods | **Vocational training** will be provided for the households and their members practicing wage-based livelihoods.  The Company is launching its solar PV installation training programme in Silistra municipality. The programme is targeted at the young people, women and generally at people interested in being involved in renewables sector. Participation in these activities will provide opportunities to PAPs and members of their families to obtain necessary skills for potential further employment during the Project construction stage, as well as potentially for other projects in the area.  People affected by economic displacement will be informed on these opportunities and will be provided with relevant advice on / assistance in taking part in them. |
| Enterprise-based livelihoods | All the individual landowners affected by the Project rent out their land to the commercial agricultural organisations which is an enterprise-based activity generating supplementary income.  During interviews conducted with the affected landowners, representatives of the agricultural organisations, administrations and NGOs, they did not indicate any challenges associated with land ownership and land use and did not suggest any type of the potential support that might be provided by the Project.  No specific support livelihood restoration measures for enterprise-based livelihoods are envisaged as part of this LRP. However, the following forms of assistance might be provided under request:   * **Training** * Provision of opportunity to take part in financial management training for individual landowners; * Provision of opportunity to take part in business development trainings tailored to small business enterprises.   Both trainings might be conducted under request in collaboration with other stakeholders such as the chamber of commerce, business development centers and relevant NGOs.   * **Other types of support on case-by-case basis**. |

## Delivery Partners

The Company will look for opportunities to collaborate with delivery partners to implement livelihood restoration measures.

In particular, the Company cooperates with the training organization Elektraconsult on the vocational training[[22]](#footnote-23).

Other potential delivery partners include:

* District, national and international NGOs operating in Bulgaria in the fields related to agricultural development, livelihoods and income;
* Employment centres;
* Small business development centres.

The indicative criteria for selection of the delivery partners are as follows:

* Prior experience in running relevant livelihood restoration activities;
* Level of technical expertise in the relevant fields and qualifications;
* Existing relationships with local governments and businesses;
* Knowledge of and experience working in the affected communities and district.

# VULNERABLE PERSONS

## Identification of Vulnerable People and Their Characteristics

Vulnerable groups include those who, by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, social status or other factors may be more diversely or significantly affected by displacement than others and who may be limited in their ability to claim or take advantage of livelihood restoration assistance and related development benefits. During the interviews conducted with the affected PAPs during the LRP preparation process, special attention was paid to identification of the vulnerable PAPs, including members of the affected households.

In the context of this Project, the following groups of vulnerable people were identified as part of the Environmental and Social Impact Assessment and are also considered to be vulnerable to economic displacement impact:

* **Individuals with physical and/or mental disabilities or chronic illnesses** may be disproportionally affected by changes caused by displacement, and have more difficulties in coping and adjusting to the effects of economic displacement;
* **Elderly people.** Given the limited income sources, lower general capacity to cope with change and greater likelihood of physical disabilities and relevant conditions, elderly people are also considered to be a vulnerability factor. However, while conducting interviews, it became evident that among the PAPs there are very active people above 65 years old who are very active, run their own businesses or own large areas of land in the region and receive considerable rent payments. In cases like that, elderly people are considered vulnerable if age is combined with some of the other vulnerability factors;
* **Female-headed households** are generally considered to be less resilient to socioeconomic stress due to a range of factors, including those related to “traditional” gender roles when women carry the burden of domestic work, childcare and relevant restricted mobility. Thus, female-headed households are considered vulnerable in the Project’s context. However, gender is not considered as the only factor here. During the interviews, it became clear that among the PAPs there are very active women (including above 65 years old) who run their own businesses or live together with the families of their adult children and grandchildren. In cases like that, female-headed households are not considered vulnerable. Female-headed households are considered vulnerable if a woman is the main “breadwinner” in the household;
* **Unemployed People**

Unemployed people are considered vulnerable, as the rent income they receive from leasing the affected land may be their sole source of income;

* **Members of low-income households** are considered vulnerable, if a household is dependant on the income from renting out land plots affected by the OHTLs. This is especially valid if an affected land plot is the only land plot owned by a PAP;
* **People not covered by the national social security programme**

Such people might struggle with accessing medical and social services. No people of that kind were identified as affected by the Project;

* **People having no primary school education**

Adults not having primary school education might experience difficulties with understanding their rights related to land acquisition, with analysing documentation related to land acquisition and compensation and generally with coping with economic displacementimpacts.

No adults not having primary school education have been identified as affected by the Project.

Based on the information collected, no indicators have been identified to consider women as a vulnerable group for this LRP purposes. Affected people did not indicate any activities specifically conducted by women in the area; no reasons for considering women to be in a more disadvantaged or vulnerable position than men in the area were reported. No specific potential impacts of the Project on women have been also indicated by the interviewees, etc. Similar replies to questions related to the potential vulnerability of women have been reported by both female and male landowners and land users, by participants of the FGD discussion with women, as well as by representatives of the NGOs which were also female.

Among the PAHs, there are 22 elderly individuals aged over 65 across 13 households. Three out of 25 PAHs comprise female-headed households, led by elderly, widow, or divorced women without a male supporter living in the household. There are another 4 female-headed households with a male supporter, living in the household. Seven PAHs reported having a household member who is disabled. Three of them are headed by an elderly disabled man. Two of these PAHs meet all three categories of vulnerability identified above as a household headed by the elderly disabled woman. Two of the PAHs have reported that the invalidity of their household’s member is above 90% according to the Bulgarian standards.

Based on the above, the vulnerable households affected by the Project may be summarised as follows:

* 3 PAHs headed by elderly men having disabilities;
* 1 PAH headed by an elderly disabled woman;
* 1 PAH headed by an elderly widowed disabled woman with unemployed member and low income;
* 1 PAH headed by a widowed woman;
* 2 PAHs with disabled male members.

The main sources of income of the vulnerable PAHs include retirement pension and social support, as well as salaries. The secondary sources of income relate to rent income from agricultural land lease.

Table ‑: Vulnerable PAHs

| **Category** | **# of Individuals** | **# of PAHs** |
| --- | --- | --- |
| Elderly household members | 8 | 5 (20%) |
| Household members with disabilities | 7 | 7 (35%) |
| Female-headed households | 4 | 3 (11%) |
| Unemployed people | 1 | 1(4%) |
| Low-income households | 2 | 1 (4%) |
| **Total with Double-Counting** | **22** | **17 (70%)** |
| **Total without Double-Counting\*** | **11** | **8 (31%)** |
| ***\*The PAHs meeting more than one category of vulnerability have been counted as one entry each.*** | | |

## Vulnerability Assistance

Support measures available for vulnerable members of affected households include (but are not limited to) the following:

* Special assistance in explaining details of land acquisition and livelihood restoration processes (including assistance with clarification of administrative procedures and filling administrative forms/applications if needed);
* Assistance in accessing compensation payments;
* Assistance in provision of transport to participate in meetings / engagement events, for addressing issues related to land acquisition and livelihood restoration;
* Support in clearing and preparation of alternative land, in planting annual and perennial crops, etc.;
* Clarification of available livelihood restoration measures;
* Legal assistance.

Support to vulnerable groups will be provided on case-by-case basis.

It will be announced at the meeting to be held during the disclosure phase of the LRP that the PAPs have the opportunity to request these support measures. The PAPs will be also able to submit assistance requests through communication with the CLO and using the GM.

# MONITORING AND EVALUATION

Monitoring provides project management and the affected persons with timely information about whether compensation, livelihood restoration, and other measures are being delivered in accordance with the LRP commitments, and whether key outcomes are achieved.

This section describes arrangements for conducting internal and external monitoring.

## Internal Monitoring

Monitoring is a management tool by which the LRP performance indicators are systematically tracked and reported for relevant stakeholders. The main objectives of internal monitoring of implementation of the LRP are to verify that:

* Impacts on PAPs' livelihoods and relevant losses have been fully compensated in a timely manner or are in the process of being compensated;
* PAPs are satisfied with the livelihood restoration process;
* Post-restoration characteristics of affected livelihoods are equal to or better than before the Project implementation;
* Issues likely to adversely affect PAPs are identified and addressed in a timely manner; and
* Grievances related to livelihood restoration are adequately resolved in a timely manner.

Monitoring also provides feedback on the LRP implementation to the Company and stakeholder (including lenders) and enables identification of problems, mistakes (or lessons learned) and successes as early as possible to allow for timely adjustment of implementation arrangements.

Table 14‑1 below sets out the key indicators to be monitored throughout the land acquisition and livelihood restoration implementation process. Input/output indicators refer to the land acquisition and livelihood restoration activities carried out and their immediate results, while outcome indicators look at whether the desired livelihood restoration targets and commitments for PAPs have been achieved.

Table 14‑1: Monitoring Indicators

| **#** | **Indicators** | **Monitoring Frequency** | **Data Collection Method** |
| --- | --- | --- | --- |
| **Input/output Indicators** | | | |
| ***Identification and involvement of PAPs into livelihood restoration process[[23]](#footnote-24)*** | | | |
| 0 | Share (%) of PAPs covered by the LRP among the identified PAPs | Monthly | Data management system |
| ***Participation and grievances*** | | | |
| 1 | Number of information disclosure and consultation activities held with eligible PAPs (via phone calls, face-to-face meetings, etc.) | Monthly | Stakeholder engagement register |
| 2 | Number of PAPs participating in information disclosure and consultation activities by gender and vulnerability status | Monthly | Stakeholder engagement register |
| 3 | Number of grievances received in total | Monthly | Grievance register |
| 4 | Number of grievances received concerning compensation payments | Monthly | Grievance register |
| 5 | Number of grievances received concerning livelihood restoration activities | Monthly | Grievance register |
| 6 | Share (%) of grievances resolved within established timeframes | Monthly | Grievance register |
| 7 | Categories of grievances and any trends over time in number, categories, gender and topics of grievances received | Quarterly | Grievance register |
| 8 | Number of ongoing (open) court cases | Monthly | Data management system |
| 9 | Share (%) of completed court cases among the total number of court cases | Monthly | Data management system |
| ***Compensation*** | | | |
| 10 | Number of individual compensation agreements signed | Monthly | PAP list |
| 11 | Number of supplemental compensation packages paid / provided to PAPs | Monthly | Data management system |
| 12 | Share (%) of compensation payments paid / provided to PAPs among the total number of individual compensation agreements signed | Monthly | Data management system |
| 13 | Share (%) of compensation payments paid / provided in line with schedule established in the compensation agreements | Monthly | Data management system |
| ***Livelihood restoration*** | | | |
| 14 | Number of information disclosure and consultation activities conducted on livelihood restoration activities with eligible PAPs | Monthly | Stakeholder engagement register |
| 15 | Number of PAPs participating in information disclosure and consultation activities by gender and vulnerability status |  | Stakeholder engagement register |
| 16 | Number of participants in each livelihood restoration programme by gender and vulnerability status | Quarterly | Attendance records |
| 17 | Number of sessions/activities conducted within each livelihood restoration programme | Quarterly | Meeting records of implementation partners |
| 18 | Share (%) of livelihood restoration programmes completed | Quarterly | Data management system |
| **Outcome Indicators** | | | |
| 19 | What have compensation payments been used for by PAPs by gender and vulnerability status? E.g., savings, investment in livelihood activities (purchase of crops, fertilisers, etc.), renovations, education, daily expenses, etc. | Annually | Monitoring surveys[[24]](#footnote-25) |
| 20 | How have the decisions over the use of the compensation money been made? E.g. by head of household; equitably by the adult men and women of the household; etc. | Annually | Monitoring surveys |
| ***Participation and grievances*** | | | |
| 21 | PAPs’ rates of satisfaction with grievance mechanism and participation processes by gender and vulnerability status | Quarterly | Monitoring surveys |
| 22 | PAPs’ knowledge of livelihood restoration process including key timeframes and upcoming steps by gender and vulnerability status | Quarterly | Monitoring surveys |
| ***Livelihood restoration*** | | | |
| 24 | Changes to PAPs’ income levels by gender and vulnerability status | Quarterly in first year of monitoring; annual thereafter | Monitoring surveys |
| 25 | Changes in PAPs’/business assets or investments | Quarterly in first year of monitoring; annual thereafter | Monitoring surveys |
| 26 | Changes to PAPs’ employment levels (i.e. if PAPs changed jobs, etc.) by gender and vulnerability status | Quarterly in first year of monitoring; annual thereafter | Monitoring surveys |
| 27 | PAPs’ overall views on changes to socioeconomic conditions post-economic displacement by gender and vulnerability status | Quarterly in first year of monitoring; annual thereafter | Monitoring surveys |
| ***Vulnerability*** | | | |
| 28 | Have some households become vulnerable (e.g., due to illness or death of the main wage earner or any other reason)? | Annually | Monitoring surveys |
| 29 | Have any households previously identified as vulnerable improved their status? | Annually | Monitoring surveys |

As appropriate, the monitoring indicators will be revised, and new ones might be added as needed throughout the monitoring process.

Internal monitoring will be the responsibility of the LRP Manager, who will conduct monitoring as per the frequency outlined above and submit monthly status reports on the progress made with livelihood restoration to the Company’s management. A database of livelihood restoration monitoring information will be established and updated monthly for this purpose. Where monitoring identifies any issues, corrective actions will be developed and tracked for their successful resolution.

Quarterly monitoring reports will also be prepared by the LRP Manager and submitted to the Company’s management and lenders. The quarterly reports shall include the status of the following key indicators based on those listed in Table 14‑1 above, among others:

* Identification and involvement of PAPs into the livelihood restoration process[[25]](#footnote-26);
* Payment of compensation to the PAPs, according to the outcomes of the valuation studies and schedules established in the compensation agreements;
* Delivery of livelihood restoration programmes;
* Information disclosure and consultation activities;
* Grievance management, outstanding grievances and court cases (if any);
* Overall coordination and completion of livelihood restoration activities;
* Any issues and solutions provided/recommended;
* Evaluation of overall alignment of the land acquisition and livelihood restoration process with the IFC PS 5.

The indicators will be assessed through methods, such as monitoring surveys, to identify changes to livelihoods of PAPs post economic displacement, to assess their satisfaction concerning the livelihood restoration process and review the grievance register for timely resolution of all grievances received. The monitoring surveys will include direct engagement with a sample of affected and compensated PAPs.

The reports will include a corrective action plan to enable the identification and tracking of actions needed to facilitate the LRP implementation. If the status of the indicators indicates a systemic or general trend among the grievance topics that can be resolved through modifications to livelihood restoration procedures, such recommendations will be made within this action plan. The LRP might be amended as needed.

On an annual basis, the quarterly monitoring reports will also present the findings on changes to the socioeconomic status of PAPs compared to baseline conditions, including income, land use practices, etc.

## External Monitoring

External monitoring activities will be conducted independently of the internal monitoring activities. These will include:

* External monitoring after one year of the start of the LRP implementation (the purpose of this audit is to ensure that the PAPs are sufficiently identified, the LRP measures are developed and implemented appropriately;
* External post-completion audit, one year following completion of all the compensation payments and livelihood restoration programmes, or whichever activity is completed last (approximately in 3 years after the start of the LRP implementation).

To that purpose, the Company will engage the services of an experienced, independent entity or qualified livelihood restoration company/specialist, to document and assess through the collection of auditable evidence, the results of the livelihood restoration and overall compliance with the IFC PS5. The ToR for the external audits should be reviewed/approved by the lenders / lenders’ consultants.

Examples of indicators to be used for the audits include:

* A basic measure of whether all PAPs have received all of their entitlements, particularly those relating to cash compensation and in-kind measures as identified within this document;
* The characteristics of affected livelihoods, as compared to pre-impact conditions;
* The adequacy of compensation and livelihood restoration packages provided to the PAPs, including whether the livelihoods of affected PAPs have been restored to pre-impact or better levels;
* The level of satisfaction of PAPs by gender and vulnerability status;
* The effectiveness of information disclosure and consultation activities; and
* The effectiveness of the livelihood restoration GM.

The ultimate objective of the external completion audit will be to determine whether the Project’s efforts to restore the livelihoods of the affected people / organisations have been properly conceived and executed, as well as to evaluate their outcomes. The completion audit should verify that all physical inputs committed in the LRP have been delivered and all services provided. Based on the results of this evaluation, a Livelihood Restoration Completion Report (LRCR) will be prepared addressing the above issues in adequate level of detail. The LRCR will provide extensive quantitative information on the numbers of people affected, compensation, the preparation and execution of the LRP and any outstanding issues relating to implementation of the LRP that require additional actions and follow up until implementation of the LRP can be fully completed.

# IMPLEMENTATION SCHEDULE

The LRP Implementation schedule is provided in Table 15‑1 below:

Table 15‑1: Implementation Schedule

| **#** | **Activity** | **Months** | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Aug** | **Sep** | **Oct** | **Nov** | **Dec** | **Jan** | **Feb** | **Mar** | **Apr** | **May** | **Jun** | **Jul** |
| **1** | **LRP Preparation** |  |  |  |  |  |  |  |  |  |  |  |  |
| 1.1 | Submission of the preliminary LRP |  |  |  |  |  |  |  |  |  |  |  |  |
| 1.2 | Approval of the preliminary LRP by the Company and lenders |  |  |  |  |  |  |  |  |  |  |  |  |
| 1.3 | Site visit (September 16-20) |  |  |  |  |  |  |  |  |  |  |  |  |
| 1.4 | Preparation of the draft LRP |  |  |  |  |  |  |  |  |  |  |  |  |
| **2** | **Disclosure and Update of the LRP** |  |  |  |  |  |  |  |  |  |  |  |  |
| 2.1 | Engagement with the PAPs to disclose key aspects of the LRP, including entitlement matrix and livelihood restoration programmes (October 7-8) |  |  |  |  |  |  |  |  |  |  |  |  |
| 2.2 | Update of the LRP as needed based on the PAPs’ inputs |  |  |  |  |  |  |  |  |  |  |  |  |
| 2.3 | Submission of the LRP (October 31) |  |  |  |  |  |  |  |  |  |  |  |  |
| 2.4 | Approval of the final LRP by the Company and lenders |  |  |  |  |  |  |  |  |  |  |  |  |
| **3** | **Supplemental Compensation Payments** |  |  |  |  |  |  |  |  |  |  |  |  |
| 3.1 | Negotiation and signing of individual compensation packages |  |  |  |  |  |  |  |  |  |  |  |  |
| 3.2 | Cash compensation payment |  |  |  |  |  |  |  |  |  |  |  |  |
| 3.3 | Provision of in-kind compensation if applicable |  |  |  |  |  |  |  |  |  |  |  |  |
| **4** | **Livelihood Restoration (LR)** |  |  |  |  |  |  |  |  |  |  |  |  |
| 4.1 | Detailed design of LR programmes |  |  |  |  |  |  |  |  |  |  |  |  |
| 4.2 | Implementation of LR programmes |  |  |  |  |  |  |  |  |  |  |  |  |
| **5** | **Identification of and Engagement with PAPs that Couldn’t Be Contacted During the LRP Development (were away, etc.)** |  |  |  |  |  |  |  |  |  |  |  |  |
| 5.1 | Identification of PAPs, conducting relevant socio-economic survey and asset inventory, negotiating compensation and livelihood restoration support |  |  |  |  |  |  |  |  |  |  |  |  |
| **6** | **Monitoring & Evaluation** |  |  |  |  |  |  |  |  |  |  |  |  |
| 6.1 | Ongoing receipt and resolution of grievances |  |  |  |  |  |  |  |  |  |  |  |  |
| 6.2 | Ongoing engagement with PAPs |  |  |  |  |  |  |  |  |  |  |  |  |
| 6.3 | Quarterly monitoring of LRP implementation and PAPs’ status |  |  |  |  |  |  |  |  |  |  |  |  |
| 6.4 | External audit of the LRP implementation (approximately in 3 years)\* |  |  |  |  |  |  |  |  |  |  |  |  |

*\* Timeline to be confirmed closed to the completion of the LRP implementation activities.*

Legend:

|  |  |
| --- | --- |
|  | Site visits during the LRP development |
|  | Other activities |

# ROLES AND RESPONSIBILITIES

The roles and responsibilities required in the LRP implementation are presented in Table 16‑1.

Table 16‑1: Roles and Responsibilities for the LRP Implementation

| **Level/Unit** | **Roles** | **Responsibility** |
| --- | --- | --- |
| **Project Personnel** | | |
| Project Manager | * Ensure compliance with regulatory requirements and international standards; * Oversee the implementation of the LRP and GM working in coordination with the LRP Manager and the CLO; * Oversee progress related to resolution of grievances and livelihood restoration. | The Company |
| LRP Manager | * Ensure implementation of measures/actions determined by the LRP; * Track livelihood restoration activities for all PAPs on an ongoing basis and communicate with PAPs as needed; * Coordinate with delivery partners on the LRP implementation; * Maintain regular communication with the CLO on grievances received with regard to land acquisition and /economic displacement process (on monthly basis during this LRP implementation). Take part in resolution of grievances; * Engage with affected households and organisations regarding land acquisition and livelihood restoration process – in cooperation with the CLO; * Engage with other stakeholders as necessary (for example, with local administrations, agricultural cooperatives, etc.) in cooperation with the CLO; * Conduct monitoring of the livelihood restoration activities; * Prepare LRP progress reports; * Review the LRP on behalf of the Company and make relevant update of the document. | The Company |
| CLO | * Support the LRP Manager in the implementation of the LRP; * Ensure effective implementation of the Grievance Mechanism (including recording of grievances, effective engagement of the Project staff in resolution of grievances, communication with external stakeholders, etc.); * Maintain regular communication with the Project stakeholders in line with the SEP. | The Company |
| **Other Parties** | | |
| Mayor of Silistra municipality / Land Department of Silistra municipality/ Social services department of Silistra municipality/ Mayors of the villages of Kalipetrovo, Aydemir and Polkovnik Lambrinovo | * Provision of information on land acquisition (including information on affected people and organisation, compensation documents, etc.); * Regular engagement with the Company throughout livelihood restoration process; * Cooperation with the Company regarding resolution of grievances. | Municipality of Silistra |
| External consultant | The LRP will be implemented by the Company. The LRP Manager being the focal point for the LRP implementation.  However, the Company might engage external consultant for facilitating implementation of the LRP (for example, for conducting additional studies if required, for facilitating the LRP implementation, etc.). | The Company |
| External auditor | The Company will engage the services of an experienced independent organisation or qualified livelihood restoration specialist. The appointed organisation/expert will be responsible for documenting and assessing (through the collection of auditable evidence) the results of the livelihood restoration process and overall compliance with the IFC PS5. The audit will verify that all measures determined by the LRP have been properly implemented. The ultimate objective of this external audit will be to determine whether the livelihoods of the affected people have been properly restored and preferably improved. The ToR for the completion audits should be reviewed/approved by the lenders / lenders’ consultants. | The Company |

Appendix A:   
Main Questionnaire

Appendix B:   
Guides for Focus Group Discussions and Interviews

Appendix C:   
Leaflet (English and Bulgarian Versions)

1. Developed by the Electricity System Operator. [↑](#footnote-ref-2)
2. Lease and right to use are two different property rights defined by law, and they are different from the right to build. Both are contractual rights. Right to build is a ‘stronger’ legal title over land than lease and/ or right to use. [↑](#footnote-ref-3)
3. Replacement cost is defined as the market value of the assets plus transaction costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account. Market value is defined as the value required to allow Affected Communities and persons to replace lost assets with assets of similar value. [↑](#footnote-ref-4)
4. The term “land-based” includes livelihood activities such as subsistence cropping and grazing of livestock as well as the harvesting of natural resources. [↑](#footnote-ref-5)
5. The rate of compensation for lost assets should be calculated at full replacement cost including transaction costs. For losses that cannot easily be valued or compensated for in monetary terms, in-kind compensation may be appropriate. However, this compensation should be made in goods or resources that are of equivalent or greater value and that are culturally appropriate. [↑](#footnote-ref-6)
6. Livelihoods may consist of wage-based incomes, and/or incomes derived by individuals, families and/or communities from resource utilisation. [↑](#footnote-ref-7)
7. R-Engineering is the Special Purpose Vehicle (SPV) for implementing the St. George PV Plant. It was acquired by Rezolv Energy in 2023. [↑](#footnote-ref-8)
8. Landowners / land users will not be allowed to plant high vegetation and will have to keep the easement strip cleared (i.e. not construct any structures or store any objects) and to grant access to the OHTL for maintenance activities. [↑](#footnote-ref-9)
9. Landowners / land users will not be allowed to plant high vegetation and will have to keep the easement strip cleared (i.e. not construct any structures or store any objects) and to grant access to the OHTL for maintenance activities. [↑](#footnote-ref-10)
10. The land in Bulgaria is usually used in a regulated manner by people or entities having a legal title. Informal land use is not practiced. The Project area is extensively used for agricultural purposes, with all the land plots being allocated to specific landowners and land users. There is no practice of informal land use in the area, which has been confirmed by all the administrations and PAPs interviewed during the survey in September 16-20, 2024. [↑](#footnote-ref-11)
11. Cooperatives of farmers in Bulgaria are not only associations of land users but also the actual land users. Therefore, these were interviewed as the affected land users (see above). [↑](#footnote-ref-12)
12. Including Kalopetre, village of Kalipetrovo, Youth organization for European Silistra (village of Aydemir), Association for creative and educated Bulgaria, Dorostorum-Drastar-Silistra, Agrobusiness center Silistra, Association BISADER TUNAHAN, Association for transboundary cooperation and development Dunav-Dobrudja. [↑](#footnote-ref-13)
13. Issued by Chamber Independent Evaluators of Bulgaria, which is part of the European Group of Valuers’ Association (TEGOVA) and follows the organisations’ European valuation standards’ and guidelines. [↑](#footnote-ref-14)
14. Closest distance from the nearest residential areas to the OHTLs is provided. [↑](#footnote-ref-15)
15. Above 5000 BGN - Above 2550 EUR; 3000-4000 BGN – 1530-2045 EUR; 2000-3000 BGN – 1020-1530 EUR, 1000-2000 BGN – 510-1020 EUR. The amounts shown in BGN are converted to Euro using the fixed official exchange rate of BGN/Eur as of 4 October 2024. [↑](#footnote-ref-16)
16. Please note that this leaflet is different from the one used during the socioeconomic survey and asset inventory conducted in September 16-20, 2024 (Appendix C). [↑](#footnote-ref-17)
17. It has been identified that many of the affected landowners have their address in Silistra which is a regional center. The document will be disclosed in Silistra city hall in order to be accessible to these PAPs. [↑](#footnote-ref-18)
18. Accessed at: [www.cao-ombudsman.org](http://www.cao-ombudsman.org). Accessed on 30 September 2024. [↑](#footnote-ref-19)
19. This table contains an example of how valuation of land plots was made, information on the evaluation results for the 8 land plots of the former airport, which were acquired via transfer of the right to build (easements were established for the remaining two land plots for the PV site). [↑](#footnote-ref-20)
20. An owner of a structure gets compensation for this structure. If a structure has no official owner, it is presumed that it is used by a person/organisation using this structure with relevant compensation being paid accordingly. [↑](#footnote-ref-21)
21. Based on results of the inteviews with 25 PAPs conducted in September 2024 – see Section 7.2. [↑](#footnote-ref-22)
22. Accessed at: www.elektrakonsult.com. Accessed on 30 September 2024. [↑](#footnote-ref-23)
23. Not all the PAPs have been identified and involved during the LRP preparation process due to their absence, etc. [↑](#footnote-ref-24)
24. To be conducted either via phone or in-person meetings, or through completion of anonymous survey forms. [↑](#footnote-ref-25)
25. Not all the PAPs have been identified and involved during the LRP preparation process due to their absence, etc. [↑](#footnote-ref-26)