

Ministry of Economy and Infrastructure

*Moldova Energy Projects
Implementation Unit*

SE Moldelectrica

**MOLDOVA ROMANIA POWER
INTERCONNECTION PHASE I**

**RESETTLEMENT POLICY FRAMEWORK
(LAND ACQUISITION & COMPENSATION FRAMEWORK)**

OHL 400 kV Vulcanesti - Chisinau

December 2018

This RPF is the updated version of the LACF prepared by ISPE for Moldelectrica (EBRD Project “Moldova-Romania Power Interconnection Project” Feasibility Study, Feasibility assessment and ESIA) in compliance with WB policies.

RESETTLEMENT POLICY FRAMEWORK

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ABBREVIATIONS

ARFC	Cadaster and Land Relations Agency
ASP	Public Services Agency
CC	Coordination Committee
CCMR	Community complaints-management register
EMA	External Monitoring Agency
EIA	Environmental Impact Assessment
ESIA	Environmental and Social Impact Assessment
GoM	Government of the Republic of Moldova
IPOP	Institute for Land Use Planning
MADRM	Ministry of Agriculture, Regional development and Environment
MEI	Ministry of Economy and Infrastructure
MEPIU	Moldova Energy Projects Implementation Unit
MDL	Moldova Lei
MoF	Ministry of Finance
NGO	Non-governmental organization
NLP	National Land Program
NBS	National Bureau of Statistics
OP	Operational Policy
PAP (AP)	Project-affected person
PMU	Project Management Unit
PSA	Poverty and Social Assessment
RAP	Resettlement Action Plan
ARAP	Abbreviated Resettlement Action Plan
RPF	Resettlement Policy Framework

GLOSSARY

Census	Means the head count of the persons affected by land acquisition in terms of asset loss, together with an inventory of the assets lost by these persons. The census also includes basic socioeconomic data. The date of the census establishes the cut-off date to record the persons in a community project area, who can receive compensation for lost assets, and/or resettlement and rehabilitation assistance.
Compensation	Payment in cash or kind to which the Affected People are entitled in order to replace land or other assets taken for project use.
Cut-off-date	Date after which people <i>will not be</i> considered eligible for compensation, i.e., they are not included in the list of APs as defined by the census.
Encroachers	People who move into the project area, or who have trespassed into government land adjacent to their own, after the cut-off date and are therefore not eligible for compensation or other rehabilitation measures provided by the project. Persons informally using or occupying land prior to the cut-off date are eligible for compensation or alternative forms of assistance.
Entitlement	Entitlement means the range of measures comprising compensation in cash or kind, relocation cost, income rehabilitation assistance, transfer assistance, income substitution, and business restoration which are due to PAPs, depending on the type, degree and nature of their losses, to restore their social and economic base.
Household	Household means all persons living and eating together as a single-family unit and eating from the same kitchen whether or not related to each other. The census used this definition, and the data generated by the census forms the basis for identifying a household unit.
Income Restoration	Income Restoration means re-establishing productivity and Livelihoods of PAPs.
Involuntary Resettlement	Any resettlement, which does not involve willingness of the persons being adversely affected, but are forced through an instrument of law.
Land acquisition	Land Acquisition means the process whereby a person is compelled by a public agency to alienate all or part of the land she/he owns or possesses, to the ownership and possession of that agency, for public purposes in return for fair compensation.
Landowner	Physical or legal entity, which uses land plot based on the right of private property, i.e. has purchased the right for property from the state.
Lease-Holders	A person or a legal entity who holds a right of leasing the land (long or short term) on a contractual basis. Typical long-term lease is 49 years.
Rehabilitation	Assistance provided to affected persons to supplement their income losses in order to improve, or at least achieve full restoration of, their pre-project living standards and quality of life.
Project Affected Persons (PAPs, APs)	People, Households, or Legal Entities affected by project related changes in use of land, water, natural resources, or income losses.
Socially Vulnerable People	Population, who have income less than living wage, or have other sources of personal vulnerability to hardship in adapting to changes caused by the project.

1. EXECUTIVE SUMMARY

The Land Acquisition and Compensation Framework (LACF) developed for the EBRD Project is an approved project document for the entire project including OHL Chisinau-Vulcanesti, expansion of Vulcanesti SS, upgrade of existing 330kV Chisinau SS, and BtB Station. The LACF has been reviewed and updated as the Resettlement Policy Framework (RPF), in order to assess the adequacy of the instrument and to ensure it complies with the requirements OP 4.12 (involuntary resettlement) of the World Bank to carry out social safeguards due diligence for investments under the project.

All the technical data and figures in the LACF were used and new calculations of land surface or other options for Project OHL were taken into consideration.

The following sections of the LACF required revisions:

- List of outdated legislation (Water Code mentioned is no longer in force for 5 years);
- Consultation of project affected people and the outcome;
- Land expropriation process;
- Monitoring of the compensation payments for the project affected persons;
- Grievance Redress Mechanism and its adequacy;
- The transfer of public/state land for projects.

Key revisions and improvements of the documents are:

- A new structure of the document named RPF as per OP 4.12 requirements was proposed.
- The glossary of specific terms was introduced.
- The Executive Summary was added to explain the most important changes and new contributions.
- The regulatory and legal framework was updated; the new draft Land Code (2017-2018) was reviewed.
- A new chapter on principles and objectives governing resettlement preparation and implementation as per OP 4.12 was developed.
- Additional field information on proposed new building site for the administrative complex included
- Even though no accurate information on physical displacement of population was available at this stage, a description of estimated population affected was provided.
- Entitlement Matrix is updated with new categories of PAPs and eligibility were provided.
- Chapter on Methods of valuing affected assets with explanations for costs and compensations rates was elaborated.
- Detailed process of Land Acquisition and Compensation Procedures was described.

The Grievance Redress Mechanism was substantially improved with introduction of representatives of different levels of authorities and PAPs to participate in taking decision process and in monitoring of RAP implementation. The instruments added are the Local Resettlement Committees and Rayon/District level Resettlement Committees. A formal training of participants in resettlements procedures is proposed. As well as introduction of Social Impact Monitoring Committee (SIMC) as community centered mechanism for field level safeguards implementation support.

Also a legal process was developed for the case when the PAPs want to use as final recourse the competent Moldova legal channels. Moldovan legislation allows landowners an option for seeking redress through the courts, under the Land Code, the Law on Expropriation for Public Use, as well as Law on Petition No. 190-XIII of 19 July 1994, Law on Administrative Litigation, No. 793-XIV

of 10 February 2000, Law on Administrative Litigation, No. 793-XIV of 10 February 2000, and Civil Procedure Code, No. 225-XV of 30 May 2003. Specifically, these laws provide the framework under which a grievance mechanism can be developed for the purposes of the resettlement and land acquisition.

For better monitoring of RAP implementation, the evaluation indicators and external monitoring were proposed as instruments.

A template for RAP is proposed as Annex 1; unit costs rates (Annex 3) can be updated at the stage of RAP development.

2. INTRODUCTION

2.1. Project Background

The Government of Republic of Moldova has made the strategic choice in 2015 to build a high voltage DC electrical interconnection with Romania following the recommendations of the Electric Power Market Options Study (EPMOS) completed by the World Bank's (WB) energy team in June 2015 with funding by the Energy Sector Management Assistance Program (ESMAP). The interconnection is expected to be operational by 2022 and will link the Republic of Moldova to the competitive Romanian Power market. Republic of Moldova would be placed in a unique position, as it would remain linked to the IPS/UPS power system (integrated power system of former Soviet Union).

The proposed Moldovan–Romanian power interconnection project is planned to consist of two new units with a total installed capacity of 600MW Back-to-Back (BtB) converter station located in Vulcanesti and necessary domestic transmission system reinforcements, which include expansion of Vulcanesti substation (SS), upgrade of existing 330kV Chisinau substation (SS), and a new 400kV Vulcanesti–Chisinau overhead high-voltage transmission line (OHVL). While the former will be financed by European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB) and EU Grant, the latter will be financed by the World Bank. Although the World Bank project, Competitive Power Market Project (CPMP), will be implemented in parallel with the BtB installation, the two projects are distinct.

The World Bank and the Government therefore agreed to proceed with an approach in preparation of the CPMP which will carry out a detailed feasibility of a list of priority investments and to analyse opportunities to finance it.

The objective of CPMP is to increase capacity and improve reliability of power transmission system in Moldova and therefore enhance its access to the European electricity market.

The CPMP will be implemented by the national Transmission System Operator (TSO) the State Enterprise Moldelectrica.

IDA Project Components:

The IDA Project will include the following components:

Component 1: Construction of Chisinau-Vulcanesti overhead line and associated substation upgrade/expansion.

The estimated cost is US\$61 million. This component will construct the necessary infrastructures to enable the cross-border interconnection between Moldova and Romania. Specifically, it will finance as follows:

- New 400kV Chisinau-Vulcanesti single circuit overhead line (approximately 158 km);
- Extension of 400kV Vulcanesti substation;
- Upgrade of 330kV Chisinau substation.

The financing from IDA will cover electrical and civil works; procurement and installation of equipment for the line and substations. The new 400kV Chisinau-Vulcanesti line is necessary to secure N-1 contingency criteria and to enable stable operations of the proposed Back-to-Back converters. The extension of Vulcanesti substation will comprise the provision of a new 400kV bay. The upgrade of Chisinau substation will include the installation of a new 400/330kV transformer with associated substation equipment to enable the 400kV line to connect to the domestic 330kV network. The land acquisition is necessary for the new 400kV overhead line but it is not expected for the substations' upgrade, as all equipment will be installed inside the existing land area of the substations.

Component 2: The strengthened Moldelectrica's control and monitoring systems.

Estimated cost is US\$7 million. This component will finance the necessary hardware and software to strengthen Moldelectrica's control and monitoring systems in order to enhance the reliability and the efficiency of the transmission network. Specifically, the component will cover construction of a back-up dispatch center and upgrade of existing primary Supervisory Control and Data Acquisition (SCADA) system. It will also finance the installation of Metering Management System, which is required for an integration of Moldovan power system with European Network of Transmission System Operators for Electricity (ENTSO-E) system. A land for the back-up dispatch center has been already secured.

Component 3: The Technical Assistance and Project Management.

The estimated cost is US\$2 million (of which IDA - US\$2million). This component will include: training and capacity building for Moldelectrica.

2.2. Project Components for which Land Acquisition is Required

The Project includes the following elements:

- the construction of the 400 kV "back to back" Vulcănești substation and the 400/330 kV Chișinău substation;
- The extension of 400kV Vulcanesti substation;
- the modification of the existing substation 330/110/35 kV Chișinău; and
- the construction of a new 400 kV Vulcănești – Chișinău OHL with a total length of about 158 km.

The "back to back" substation will be located in the vicinity of the existing 400/110/35 kV Vulcănești substation, 6.160 km to the north - east of Vulcănești city.

The 330/110/35 kV Chișinău substation is situated at a 6.0 km distance from the southern outskirts (last building or yard) of Chișinău city.

The 158 km OHL will cross the territorial administrative units of Autonomous Territorial Unit of Găgăuzia, Cahul, Taraclia, Leova, Cimișlia, Hâncești, Ialoveni districts and Chișinău municipality.

The OHL consists of 511 towers to be situated at an average distance of 350 m from each other. The 400 kV OHL requires a safety corridor consisting of land and airspace, and measured from the OHL's outmost wires without deviation¹. The distance from the outmost wires to the

¹ Governmental Decision (GD) no. 514/2002 for approval the Regulation regarding the protection of electrical network.

<http://lex.justice.md/viewdoc.php?action=view&id=294934&lang=2&view=doc>

boundary of the safety corridor is established at 30 m to both sides. For the types of the towers to be used for the 400 kV OHL, the length between the outmost conductors is 15 m or 15.5 m depending on the type of a suspension or a tension tower. Thus, the total width of the safety corridor is 75 (75.5) m (i.e. 30m+30m+15 or 15.5m).

The proposed route for the transmission line was designed to be at a significant distance from any house or other construction. The nearest villages are Boroganiu (Leova district) - 120 m away and Musaitu (Taraclia district) -190 m away and the farthest is Vulcănești that is 6,000 m away.

The Project location is presented in Figure 2.1.

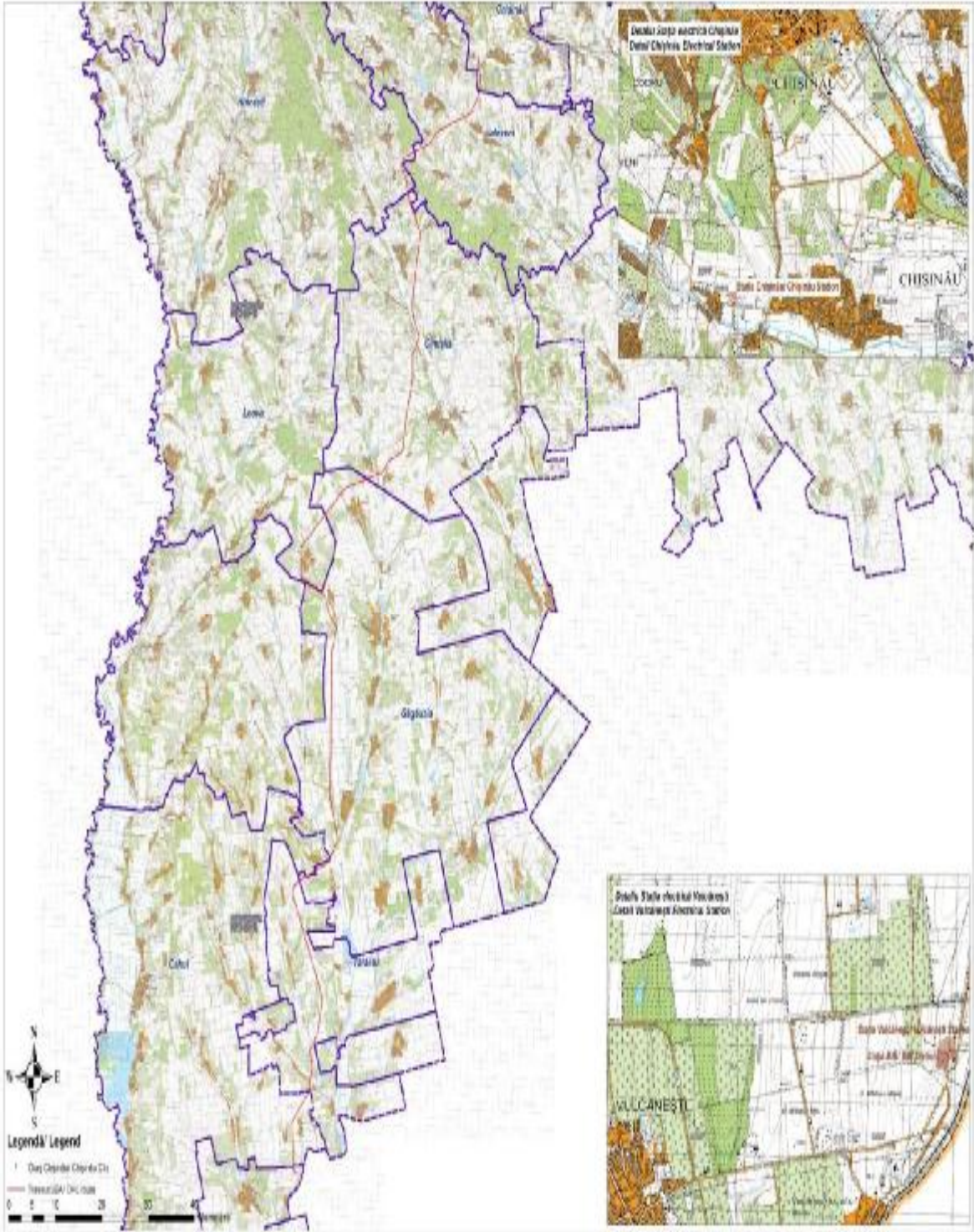


Figure 2.1 Project Location

2.2.1. Alternative Project Locations

The alternative OHL routes and alternative locations of BtB sub-station have been considered in the ESIA (Chapter 3). Both alternatives require land acquisition and from this perspective are briefly considered in this section. More information is presented in ESIA.

2.2.2. Alternative routes

The alternative routes are presented below (Figure 2.2). Option 1 (red line) has been selected as the preferable route. For the LACF/RPF purposes, it is important to highlight that the preferable route:

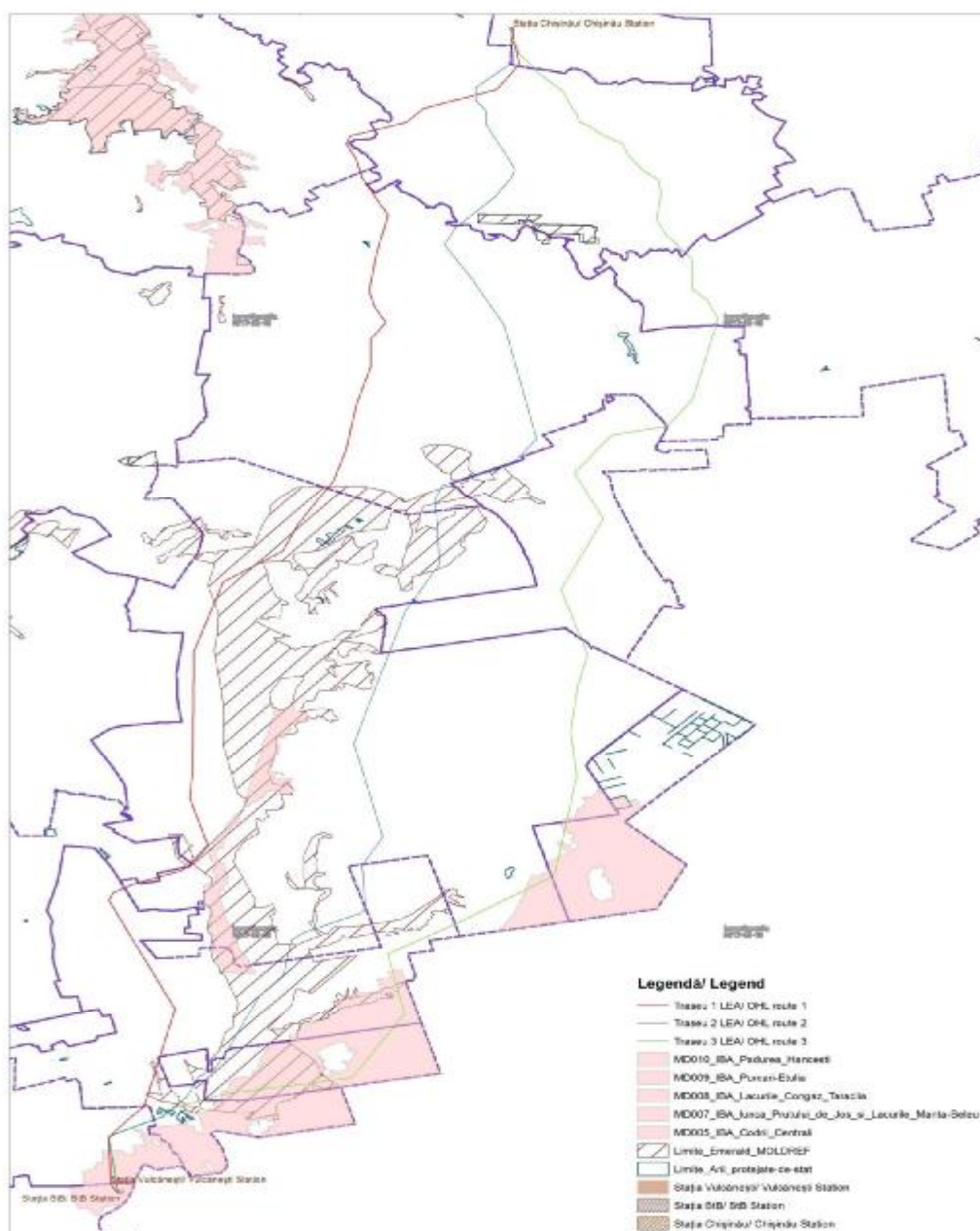


Figure 2.2 Project alternatives

- does not cross the existing protected areas (Table no. 1, ESIA.); no limitations related to the status of the protected areas are relevant to the Project.

- implies the smallest scale of land acquisition compared to other options as far as the length of this route is less than the length of the other option.

To conclude, the preferred OHL route meets the IFI requirement – to minimize the land acquisition, affected number of population & households and avoid physical displacement.

2.3. Rationale for Preparation of A Resettlement Policy Framework

The land acquisition will potentially impact on land use, access to lands, ownership and incomes dependent upon the land.

During the construction, temporary land use and permanent land acquisition for the tower basement will provide the temporary and permanent impacts as impact on property and incomes, impact on land-use, access to land.

Therefore, this document represents the Resettlement Policy Framework (RPF) for proposed CPMP. It describes the policies, procedures and processes that will be followed throughout the project in the course of mitigation of adverse social impacts due to project activities among the project affected persons, with and without legal title, whose land/properties, businesses and other assets are expropriated for the execution of the construction works.

RPF is prepared to guide potential land acquisition and potential resettlement for the construction of projects in accordance to the requirements of the World Bank (WB) and its Operational Policy 4.12, and fit the national legislation.

WB OP 4.12 indicates that an RPF needs to be prepared at appraisal stage if the extend and location of resettlement cannot be known because the project has multiple components.

2.4. Objectives and Principles of The Resettlement Policy

The RPF provides details on the likely impacts resulting from land acquisition for the above-mentioned activities and the mitigation measures that will be put in place to address these adverse impacts.

The objective is to guide the preparation of Resettlement Action Plan (RAP) that will ensure a smooth future land acquisition, solving potential resettlement issues, opportunities for all persons affected by it to be properly consulted, a readily available, affordable and accessible grievance redress mechanism, timely PAPs compensation.

The main objectives and principles in RPF development and implementation are:

- To provide details on the policies governing land expropriation, the range of adverse impacts and entitlements;
- To provide a framework for implementation of the stated strategies to ensure timely acquisition of assets, payment of compensation and delivery of other benefits to project affected persons (PAP);
- To provide details on the public information, consultation and participation, and grievance redress mechanism in project planning, design and implementation;
- To provide a framework for supervision, monitoring and evaluation of resettlement implementation;
- To presents the action plan for achieving the objectives of the resettlement/land acquisition policy.

2.5. Process for Preparation and Approval of Resettlement Action Plan

According to WB OP 4.12, all project that entails; and acquisition or/and resettlement require a RAP. The scope and level of detail of the resettlement plan vary with the magnitude and complexity

of land acquisition or/and resettlement impact, i.e. a full RAP is required whenever land acquisition in a project affects more than 200 peoples, takes more than 10 percent of any holding, and involves physical relocation of population. An abbreviated RAP is acceptable if fewer than 200 people are affected. Even if more than 200 people are affected, if all land acquisition is minor and no physical relocation is involved, an abbreviated RAP is acceptable.

Following the completion of detailed design for each component (subproject), Moldelectrica will update the data on the needs for land acquisition and resettlement. Therefore the RAPs for each section of the new 400kV OHVL Vulcanesti–Chisinau shall be elaborated. For the EBRD supported project - Back-to-Back (BtB) converter station located in Vulcanesti will be also necessary to develop Abbreviated Resettlement action Plan (ARAP)or RAP.

The preparation of a subproject RAP will be done by Moldelectrica assisted by consultants to include the following:

- (i) Identification of project impacts and affected populations;
- (ii) Baseline socio-economic data and census;
- (iii) Legal framework for land acquisition and compensation;
- (iv) Compensation framework;
- (v) Description of resettlement assistance and restoration of livelihood activities;
- (vi) Detailed budget;
- (vii) Implementation schedule;
- (viii) Description of organizational responsibilities;
- (ix) Framework for public consultation, participation, and development planning;
- (x) Description of provisions for redress of grievances; and
- (xi) Framework for monitoring, evaluation, and reporting.

The ARAP includes, at the minimum, the following key elements:

- a. a census survey of affected households and valuation of assets;
- b. description of compensation, entitlements, and another resettlement assistance to be provided;
- c. consultations with affected persons about the project impacts and land acquisition process;
- d. institutional responsibility for implementation and procedures for grievance redress;
- e. arrangements for monitoring and implementation; and
- f. a timetable and budget.

In case some of the affected PAPs lose more than 10% of their productive assets or require physical relocation the plan will also cover a socioeconomic survey to determine the livelihood provision impact and, if needed, income restoration measures.

Preparation and processing of the RAP thus will entail the following steps:

Sharing the first, draft version of RAP/ARAP, with WB for no objection before its disclosure;

- Disclosure of the RAP (approved by the World Bank) for public consultation;
- Revision and finalization of the RAP based on public disclosure and consultation - where necessary;
- Finalization of the RAP budget;
- Seeking World Bank approval for the revised/final RAP.

3. ESTIMATED POPULATION AFFECTED

The baseline socioeconomic study conducted as part of ESIA has reported that the Project spans seven districts as indicated in Table 1.

The Project needs land both for permanent and temporary use. Under EBRD Project, alternative BtB sites need about 8 ha of permanent land acquisition. If alternative three is selected the land needs will be less. In this case the estimated required area is 7.0 ha (280 x 250 m). BtB is located on

extra urban private property lands having cadastral numbers 9603305.067, 068, 073, 072 and 071, with agricultural destination, although the last 3 seem to be pillar foundations (total area = 14.7876 ha). The access road can be used the existing local road with widening and improvement of infrastructure.

The main land needs are associated with the OHL route construction and are considered below.

3.1. Temporary Land Acquisition

The temporary land use is associated with the OHL construction works. Land areas which will be temporarily occupied at the construction site are:

- Working platform for suspension towers erection (about 825 m²);
- Working platform pertaining to tension towers for erection, phase conductors and ground wires sagging operations (about 1,500 m²).
- OHL working corridor (access zone) 3 m width, for phase conductors and ground wires erection (tension).

Table 1. Land type and surface area affected by the safety corridor

	OHL including safety corridor [ha]	Forest [ha]	Agricultural lands [ha], including:			
			Agricultural, sub-total	Vineyard	Farmland	Other lands*)
UTA Găgăuzia*	381.3	0.0	381.2	84.0	280.8	16.4
Cahul	64.0	0.0	64.0	33.7	30.3	0.0
Taraclia	172.4	15.5	156.9	28.3	114.5	14.1
Cimslia	101.9	0.0	101.9	30.4	50.0	21.5
Hincesti	302.0	27.5	274.6	26.3	201.6	46.7
Ialoveni	25.6	5.4	20.2	7.4	10.8	2.0
Chisinau	110.4	2.7	107.7	22.9	60.6	24.2
Total	1,157.6	51.1	110	233.0	748.6	125.0
Total, %	100%	4%	96%			

*Note: Other lands are mostly agricultural lands of different types but can also include other land categories

More lands will be needed for temporary access roads. Access roads are needed to each tower so in case there is not access road, temporary solution will have to be arranged. After construction the temporary roads and land occupied for construction can be turned back to original land use.

There is no exact information on the overall land needs for the construction phase available at this stage; it will be known only at the finalization of design stage.

Table 2 presents the land-use structure within the safety corridor. About 96% of this required land area refers to agricultural lands. Another 4% are the forest fund land.

3.2. Permanent land acquisition

The area where tower and possible additional anchoring shall be built will be permanently used. There is a total of 511 towers. The area of land required for the permanently affected area will differ

between the different types of tower.

Land to be acquired for permanent use by the Project is described in Table 2. Similarly to the above, it is mostly agricultural land.

Table 2. Land type and surface area permanently affected by tower construction

District/land category	Total [m ²]	Forest [m ²]	Agricultural lands [m ²], including:			
			Agricultural, sub-total	Vineyard,	Farmland	Other lands*)
UTA Găgăuzia*	11,531	0	11,531	2,993	7,805	733
Cahul	2,839	0	2,839	1,129	1,710	0
Taraclia	6,597	455	6,142	869	4,781	492
Leova	2,763	0	2,763	882	1,361	520
Cimslia	10,365	520	9,845	971	7,665	1209
Hincesti	1,658	0	1,658	325	1,138	195
Ialoveni	3,308	65	3,243	665	1,556	1022
Chisinau	1,768	0	1,768	751	566	451
Total	40,829	1,040	39,789	8,585	26,582	4,622
Total, %	100%	2,5%	97,5%			

*Note: Other lands are mostly agricultural lands of different types but can also include other land categories

Also, permanent land use restrictions will take place within the safety corridor (1,157.6 ha) that will mean some land use limitation, according to the rules established by GD no. 514/2002 (see above).

The permanent impact of the construction stage is associated with the permanent land acquisition for the tower basement. The total area of permanent land acquisition is 40,829 m². Both publically and privately-owned land will be affected by the proposed Project; considering that the ownership is fragmented, including many farms owning less than 1 ha land, a high number of land owners is expected to be affected. Due to a high level of outmigration in the affected area, many land owners might be abroad.

A census and an updated socioeconomic survey of the PAPs shall be undertaken to confirm the exact numbers within each category of PAPs after the final location and coordinates of the project will be identified.

4. ELIGIBILITY AND ENTITLEMENTS

4.1. Eligibility

The term Project Affected Persons used in this RPF refers to “all those people who lose land or the right to use land and properties or who lose access to legally designated parks and protected areas resulting in adverse impacts on the livelihoods”. The project will consider various forms of evidence as proof of eligibility for the various categories of PAPs.

Acceptable forms of evidence shall cover the following:

- Project affected persons, with formal title, who lose all or part of their land;
- Project affected persons, with formal title, who have immovable property with or without building permissions on the land to be expropriated;
- Project affected persons with formal title over businesses that are affected by the loss of all or part of the land on which the businesses are located;
- Project affected persons with formal title over animal husbandries and agricultural processors that are affected by the loss of all or part of the land on which they are based;
- Project affected persons with formal title of tenancy on private or public land;

- Project affected persons with formal title over land that will be needed during construction on a temporary basis;
- Project affected persons without formal title on affected land or businesses but their livelihoods are directly dependent on the affected land or businesses (e.g., those working on affected agricultural land or working in the affected businesses);
- Project affected persons without formal title of ownership or use but who have established usage of public or private land by investing in immovable objects, crops, woods, trees, fruit bearing trees, vineyards, the age of crops, and the time needed to reproduce them; and

Any affected community facilities will also be reconstructed or necessary support will be provided for their relation to the community losing access to such common facilities.

4.2. Entitlements

Land acquisition and resettlement will be implemented according to a compensation and entitlements framework in line with Republic of Moldova laws and regulations and WB OP 4.12.

An Entitlement Matrix has been developed, that summarizes the types of losses and the corresponding nature and scope of entitlements; and is in compliance with National Laws and World Bank OP. Thus, the PAPs will receive their entitlements in accordance with the type of impact, their eligibility and compensation standards set out in Table 3:

- **Eligibility** - All PAPs living in the Project area before the cut-off date will be considered for compensation for their losses.
- **Compensation** - Entitlements for PAPs losing land and income and rehabilitation subsidies will include provisions for: *Permanent Land losses*, *Temporary Land Losses*, *Crops losses* and *Community infrastructure*. Special rehabilitation allowances will be provided to *severely affected* PAPs incurring *Business losses*. The policy requires that compensation entitlements are available to all categories of affected persons and will be paid for loss of productive assets, such as access to cultivable land as well as business activities.

Table 3: Preliminary Entitlement Matrix

Type of Loss	Application	Entitled Person	RAP entitlements	Probability of having such cases
Loss of arable, forest, residential, or commercial Land	1.1 Permanent loss of land	Eligible land owner/landholder	Cash compensation at full replacement cost, i.e. market value plus any transaction costs or normative value plus any transaction costs, whichever is higher, all technical, administrative and transaction costs are covered by the project Or: Compensation through “land for land” mechanisms at PAP’s preference. Note that loss of infrastructure will require land replacement (unless PAP specifically requests otherwise)	Major
	1.2 Temporary acquisition or easement during construction/camp/storage	Eligible land owner/landholder	The compensation for temporary acquisition or easement should be paid in amount of at least 2% per annum of the normative value of the land.	Minor
Temporary structures: housing, mobile stores, fence, latrine, etc.	During construction	Affected person (AP) who is the recognized owner, user or otherwise beneficiary whether or not, with land title and whether the structure was built with permit or not	(i) Compensation in cash or materials at full replacement cost at current market value, with no deduction in compensation for depreciation or salvageable materials. (ii) If relocation is required, for movable structures, assessment of ability to move the un-dismantled structure. If APs agree the structure can be moved, assistance will be provided to cover the replacement costs of site preparation, dismantling, moving, and rebuilding the structure.	Minor
Annual crops		Owner of crops	If crops will be affected during the harvest season the compensation will be calculated to cover the full replacement value for the lost crops as result of construction works.	Major
Perennial	(i) Timber and	(i) Owner of crops or trees	(i) Compensation at a market value for loss of crops/fruits	Major

Type of Loss	Application	Entitled Person	RAP entitlements	Probability of having such cases
crops and trees	fruit trees (ii) Private shade trees (iii) Public shade and fruit trees	(ii) Owner of trees (iii) Communities and responsible authorities	calculated as number of years needed to bear fruit. Compensation for lost trees at 110% of market (timber) value. (ii) Replacement, on request, by planting of saplings up to a factor of 15 new to one old tree. (iii) Cash compensation to local communities paid at market price for loss of crops/fruits calculated as three annual harvests. Replacement, on request, by planting of saplings up to a factor of 15 new to one old tree.	
Relocation allowance		House owner	Cash allowance	Minor
Rented lands	Permanent or temporary loss of land		If crops will be affected during the harvest season the compensation will be calculated to cover the full replacement value for the lost crops as result of construction works. The loss of income according to legislation for landholder (tenant)	Major
Business losses allowance		Business owner	Compensation to cover the losses (income) derived from that business when that business would not be functioning due to project implementation	Minor
Public/private infrastructure		Local communities	Full replacement or rehabilitation of the affected item at no cost for the community.	Minor

5. INSTITUTIONAL AND LEGAL FRAMEWORK

5.1. Institutional Framework

Following institutions, each with different roles and responsibilities, are main actors in the process of expropriation.

The Project IFIs will seek to reach an agreement with the Government of Moldova (GoM) represented by the Ministry of Agriculture, Regional Development and Environment (MARDE), Moldelectrica, National Statistical Bureau (NSB), and Cadaster and Land Relations Agency (ARFC), Ministry of Economy and Infrastructure (MEI), Ministry of Finance (MoF) and State Planning Institute for Land Management (IPOT) as necessary, on defining specific institutional roles and responsibilities for the design, implementation and monitoring of the resettlement activities, including preparation of any individual RAPs.

ARFC: Although the implementing entity for the proposed Project is Moldelectrica, ARFC, which is in charge of land relations in the country, will have overall responsibility for the land acquisition. ARFC will be entitled by the GoM to act as land buyer representing the State. The Registration of lands is under Public Services Agency.

The tasks of the other ministries and agencies are the following:

- Moldelectrica will provide oversight of all RAP activities, including preparation, implementation and monitoring in collaboration with the Consultant and ARFC;
- MEPIU is selected for Project management and facilitation of the entire process;
- MEI, MoF and ARFC will provide a review and approval of the RAP budgets and their submission to Cabinet, as well for the disbursement of the RAP funds.

5.2. Legal Framework

Moldovan legislation doesn't make explicit references to resettlement issues. However, there are legal provisions relevant for development of social safeguards instruments and these address expropriation of land or property for the public interest. Moldova has a legal framework that establishes the expropriation as a legal operation by which the property and the property rights of private property are forcedly transferred into the public property, in order to carry out the public utility works for national or local interest, with fair compensation.

The expropriation procedures are governed by the Law on Expropriation for Public Benefit, No. 488-XIV adopted on July 8, 1999 and detailed by the Government Decision No. 660 of 15 June 2006.

The main Moldovan laws and regulations pertaining to land acquisition and resettlement are:

- Constitution of the Republic of Moldova (adopted on July 29, 1994);
- Civil Code No. 1107-XV of June 6, 2002;
- Land Code No. 828-XII of December 25, 1991;
- Water law nr. 272 of 23.11.2011;
- Family Code No. 1316 of October 26, 2000;
- Law On expropriation for public benefit No. 488-XIV of July 8, 1999;
- Law On normative price and order of purchase and sale of land No. 1308-XIII of July 25, 1997;
- Law On public administration No. 436-XVI of December 28, 2006;
- Law on Small Farmers' Households No. 1353 of 3 November 2000;
- Law on Renting in Agriculture No. 198 of 15 May 2003.

The land Code is one the most important act that is important to be considered in resettlement cases. This document establishes the categories of land based on their use and mandates the

necessary protection regimes for different land categories.

The Government approved the draft new Land Code, a document that will replace the existing Code, in force since 1991. The draft is to be submitted to the Parliament for consideration and adoption.

Thus, the draft Land Code regulates the legal regime of the land fund, the land relations established between individuals and the land relations established between the landholders or the public authorities. It is also proposed to codify the legislative acts related to land relations.

The new draft Land Code proposes a new classification of land according to type of property, destination and usage:

Law on expropriation for Eminent Domain no. 488 as of 08.07.1999 guides and provides a procedure for expropriation of private property.

The law on expropriation for public benefit projects offers guidance and sets the procedures for supporting projects to be implemented when these are in need of obtaining certain lands. The main principles set in the expropriation law are:

- The law is applicable only if the project is declared as being of public interest and the responsible authority (at national/regional or local level) issues an official decision in this respect;
- The Expropriator has to value the property both at market value and normative value. Cash compensation at market rate or normative rate, whichever is higher, is paid to the Affected Person prior to expropriation. Transaction costs are born by the Expropriator;
- Land to land option is also considered under expropriation law;
- The expropriation law does not have any provision on how to consider persons without formal title on property. Art 5 establishes the types of public utilities projects (the OHLs projects are included at art. 5 para 1, lit. "e") that have to be declared as utilities of national or local interest; Declaration of public utility is provided after a preliminary study, if all legal conditions for expropriation are met (art.7). In case of land expropriation for public utilities projects, the land owner is entitled to compensation (art. 9, para. 2); In case that the public administration authority and landowner do not reach an agreement related to the market price of the land, the price should be established by the court, based on an expertise conducted by independent experts (art. 15).

Law no. 1308, 25 July 1997, on normative price for land and sale/purchase procedure establishes the following provisions relevant for the proposed investment:

Art. 11 stipulates that lands withdrawal from agricultural use and forest lands are allowed for public interest; Art 12 stipulates that losses caused by lands withdrawal from agricultural use and from forest lands shall be compensated; Art 15 defines purposes and cases of land expropriation; the land expropriation for public utilities projects are allowed (art. 15 para.3); Art. 17 establishes the rules for compensation in case of land expropriation; the land may be expropriated at the market prices that are not allowed to be less than the normative price specified in the Annex, at item II (1,248.02 MD for one point-hectare); in case that the public administration authority and landowner do not reach an agreement related to the market price of the land, the price should be established by the court, based on an expertise conducted by independent experts;

GD no. 1170, 25 October 2016, on approval of provisions for procedure on the assignment, land use change and land exchange establishes the procedure for preparation, submissions and processing the application documents and defines the involved authorities and timeframe of the process; the following provisions are relevant for the proposed investment:

- For state owned institutions and enterprises, public land (both state and administrative-territorial unit ownership) shall be available in order to use it in their business activities (Annex 1, chapter 2, paragraph 6); For construction of special facilities, including OHLs projects, lands with low land class and lands free of forests shall be assigned (Annex 1,

chapter 2, paragraph 7); The change of land use shall respect the procedure established by GD no. 1451, 24 December 2007 (Annex 1, chapter 2, paragraph 32-41); The Government approves a decree related to the change of land use from agricultural and forests lands within one month after transferring the funds to the state budget, in a amount equivalent to the losses caused by the lands withdrawal from agricultural use.

GD no. 958/2003 on temporary methodology of evaluation of estate/land regardless its type and ownership;

GD no. 514/2002 for approval the Regulation regarding the protection of electrical network defines the following main provisions relevant for the proposed investment:

- In order to ensure integrity, normal operation conditions for the OHLs and prevention of accidents several the following main principles shall be respected, namely: Protection zones shall be established; Minimum acceptable distances shall be established between OHLs and buildings, constructions, land and water areas;
- Delimitation of corridor clear of trees in massive woodlands and plantations shall be defined;
- The OHL protection corridor (the land and airspace limited by vertical planes, on both sides of the line), in case of 400 kV OHL shall be 30 m on both side of the line;
- For the construction and operation of the OHLs, the lands will be assigned according to the legislation;
- The lands located on the protection corridor, not taken from land owners, will be used for agricultural works and other works in strict compliance with the Regulation;
- The planned works for repairing, technical maintenance and reconstruction of OHLs crossing agricultural land will be performed with the consent of the land owners and usually in the period when the lands are not occupied by crops or when it is possible to ensure the integrity of agricultural cultures and avoid interruption of agricultural activities.

Law on Petition No. 190-XIII of 19 July 1994, Law on Administrative Litigation, No. 793-XIV of 10 February 2000, Law on Administrative Litigation, No. 793-XIV of 10 February 2000, and Civil Procedure Code, No. 225-XV of 30 May 2003. Specifically, these laws provide the framework under which a grievance mechanism can be developed for the purposes of the resettlement and land acquisition including:

- Provision is made for appeal against the expropriation conditions within 45 days of notification. Such appeals are settled within 30 days of the appeal by a Committee, including three specialists and three land owners. Parties must be notified within five days of the adoption of the Committee's decision which would serve as basis for compensation (Law on Expropriation for Public Use);
- If the parties cannot agree on the terms, expropriation for reasons of public use can only occur on the basis of a judicial decision and preliminary compensation for the lost assets. In this case the court appoints relevant experts to determine the level of compensation. Payment must be made within 30 days of the court's decision (Law on Expropriation for Public Use);
- Petitioners who do not agree with the decisions of the official person or entity that reviewed the petition, have the right to appeal to the administrative court within 30 days (Article 16 of the Law on Petition, No. 190-XIII of 19 July 1994);
- The right of any interested person to appeal to a court in order to defend her/his rights that were violated or challenged and her/his legitimate freedoms and interests (Article 5 of the Civil Procedure Code, No. 225-XV of 30 May 2003).

5.3. World Bank Policy on Involuntary Resettlement

World Bank policy (OP 4.12) aims to avoid involuntary resettlement as far as possible, or to minimize its negative social and economic impacts. Specifically, OP 4.12 stipulates that development projects should avoid or minimize involuntary resettlement, but in cases where it is unavoidable, when people lose their homes or livelihoods as a result of the project implementation, their standard of living should be restored at least to pre-project levels or better conditions. OP 4.12 encourages public participation in resettlement planning and implementation. The OP 4.12 also emphasizes that affected persons should be assisted in their efforts to improve or at least to recover their incomes and their living standards after the project interventions. The policy requires the implementing borrower agencies to prepare appropriate resettlement planning instruments prior to impregnation of investments that may impact on people, their property and livelihood.

The WB's policies have been replaced in 2018 with the Environmental and Social Framework (ESF). The two sets of policies will operate in parallel for about seven years to govern projects approved before and after the date the ESF is adopted.

Compensation for the Affected Persons

The client will offer all project affected persons and communities compensation for loss of assets at full replacement cost and other assistance. This is intended to restore, and potentially improve, their standards of living and/or livelihoods to pre-project 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 affected or imposition of access restrictions.

Affected persons/communities should benefit from the project.

Compensation to land-based communities

Where livelihoods of affected 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.

Who are compensated?

Affected persons are classified as persons:

- who have formal legal rights to the land (including customary and traditional rights recognised under national laws);
- 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
- who have no recognisable legal right or claim to the land they occupy.

All affected persons should get compensation, if they were in the area before the cut-off date.

In case of economic affected, if temporary or permanent loss of income or livelihood take place, regardless of whether the affected people are physically displaced, the client will compensate to affected persons/structures all losses.

- to economically affected persons with legal rights or claims to land which are recognised or recognisable under the national laws provide replacement property (for example, agricultural or commercial sites) of equal or greater value, or cash compensation at full replacement cost where appropriate;
- to economically affected persons without legally recognisable claims to land compensate for lost assets other than land, at full replacement cost.

Replacement cost

“Replacement cost” is defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement.

Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs.

Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs.

The valuation method for determining replacement cost should be documented and included in relevant resettlement planning documents.

5.4. Gaps Between IFI (Including the World Bank) Policies and Moldovan Legislation on Involuntary Resettlement Expropriation and Measures to Bridge the Gaps

Moldovan legislation on expropriation and land relations is broadly compatible with IFI standards and policies, yet there are several provisions of IFI policies that are not considered within Moldovan legal framework and these are:

- 1) Grievance Redress Committee establishment. The objective of the independent grievance resolution committee is to provide guidance/advice and to deal with any complaint/grievance associated with any expropriation or resettlement. The scope of responsibility of the independent grievance committee involves the responsibility to mediate in any dispute on the comparability of offered land, or the assessed fair value for immovable property, discrepancies in measurements, nonpayment of compensation and assistance, eligibility for benefits under the present RPF, the responsibility to accept grievances of people who believe they are being severely impacted even if they do not fall within the criteria that have been set, and related matters. The Moldovan expropriation law provides for the creation of a Committee which will examine potential injunctions from Project Affected Persons, yet the Committee concentrates more on the assessment of compensation package to be provided, if it is fair and if it complies with legal requirements; the other aspects previously described are not covered by the scope of the Committee formed under Moldovan legislation.

Therefore, in order to bridge this gap, the Expropriator/RAP implementer will establish Local Resettlement Committees and Rayonal/District Resettlement Committees for grievance redress as described and provided in the current RPF.

- 2) Socio-economic study. Moldovan legislation does not foresee any measures towards development of socio-economic studies/census surveys prior to resettlement or expropriation.

In order to bridge this gap, the Expropriator will have to carry out a socio-economic impact assessment during resettlement planning process. The socio-economic study will be carried out at Project Affected Person level in order to assess potential losses and baseline socio-economic characteristics. The collected socio-economic data will allow the project to measure exactly the impacts and estimate thoroughly the compensation package and assistance to be provided. The surveys (socio-economic survey and census) will be carried out during RAP development and the findings of the surveys will be documented in the RAP.

- 3) Compensation at replacement cost. The compensation for loss of land is paid at average comparable sales statistics to arrive at the replacement as defined in the IFI policies.

The terms to purchase a similar land plot on the open market will be assessed at the time of preparation of the RAP by a licensed valuator (certified real estate valuator). In determining the replacement cost of the affected land or asset, the cost of market value plus taxes and fees, if any, will be taken into account. Moldovan legislation, in cases of expropriation, refers to the normative value to be determined by licensed valuers. At present, in rural areas the normative value is much higher than the market value. Therefore, the Project Affected Persons will be entitled to compensations at normative or market values whichever is higher.

In case of valuing the cost of affected structures, the depreciation cost of structures will not be taken into account and the estimation of costs will be assessed on how much it will cost the project to erect a new structure of the same parameters and quality. The valuation of affected structures will also take into account the value of time invested in construction and applicable taxes, if any.

- 4) Payment of taxes and fees. In order to meet the gap in payment of taxes and fees, under this RPF, any compensation of productive land and/or property, including businesses, will include the registration cost in the Cadaster Registry, administrative fees and transfer taxes.
- 5) Assistance to Project Affected Persons without formal title. The Moldovan expropriation law does not have provisions nor does it include PAPs without formal title in the category of persons who are entitled to receive compensation and assistance. However, under IFI policies, their status is clear and non-title holders do have the right to be assisted to restore the lost livelihood. This category covers those who do not have formal legal rights to the land at the time of the census but are in the process of obtaining titles and/or have a valid claim to it as well as those who have no recognizable legal right or claim to the land.

The PAPs without formal title include persons that by the time when census begins do not yet hold title to the land they occupy due to delays in the registration of their land rights or persons that have just inherited the expropriated land/asset and had not yet had the opportunity to register their rights to said land/assets; these persons will be treated exactly as those who have formally legal rights to land.

The untitled holders, to include project affected persons who constructed buildings without permits, who have been using public or private land, are entitled to compensation/assistance for any investment made on public or private lands in the cost of structures and installations according to a valuation report to be issued by a licensed valuator (certified real estate valuator). These rights do not extend to individuals who commence activities, either in the form of cultivation or construction of any immovable property, after the census is completed. If new encumbrances are noticed those will be asked to be vacated immediately. This will be checked on quarterly basis. The Moldovan expropriation law does have a similar provision, the PAPs who have been noticed about the Eminent Domain and expropriation must preserve the property to be expropriated and no transactions with the property are permitted.

- 6) Cut-off date. In order to establish a cut-off date to determine the eligibility of PAPs for resettlement and rehabilitation assistance, a census survey will be undertaken to enumerate all the impacts supported by videography and photography within the likely impact area along the proposed OHL or other associated infrastructure.

A comparative analysis of national legal requirements with WB's requirements aiming main gaps' identification is presented in the table below

Table 4 Gap-analysis: resettlement requirements of Moldova legislation versus WB/ IFI requirements

#	Word Bank/ IFI Policy principles & Requirements/	Relevant requirement of Moldova legislation	Gap	Proposed Project action
1	Involuntary resettlement: physical displacement and economic losses or affected businesses	<p>No definitions of involuntary resettlement, physical & economic displacement exist on Moldova legislation.</p> <p>Expropriation procedure on the ground of the public utility is suggested.</p>	<p>No reference on involuntary resettlement, physical/ economic displacement in the legal framework. IFI policies provide a broader options with no contradiction to national law.</p>	<p>Develop set of compensation mitigation measures to address such impacts as per LACF/RAP basing on WB/IFI Polices</p>
2	Continuous consultations/ with stakeholders and project affected persons	<p>Public consultations are required within local EIA framework (starting and finishing within the EIA procedure);</p> <p>Negotiations on compensation of losses are possible; the affected people can make proposals.</p>	<p>No - continuous consultations/ engagement are considered</p> <p>No - consultations on the PAPs procedure/eligibility criteria are anticipated</p>	<p>Foresee the continuous participation of the affected groups within LACF/RAP preparation / implementation / monitoring process</p> <p>Proposed a participatory consultations process and mechanisms Committee with affected community members</p>

3	Focus on vulnerable groups	No provisions on vulnerable groups exist within the national resettlement framework	Lack of provisions on vulnerable groups	Preparing LACF/RAP, identify vulnerable groups and provide additional measures for their engagement Monitoring of vulnerable groups involvement and their needs.
4	Socio-economic survey: the assessment of living standards/ lifestyle in the affected communities is required	A preliminary survey is required for justification of public utilities A generic socio-economic survey is provided within ESIA	Lack of the socio-economic baseline assessment in the affected communities	On the next planning stage (LRP/RAP preparation) to conduct socio-economic survey, as prescribed/recommended by WB/standards and guidelines.
5	Census of all affected persons and inventory of all assets is required	The inventory of all assets is required. The list of affected people/households is prepared for the compensation purposes	Part compliance. The inventory of assets can be discussed as an analogue	The national procedure will be followed by the authorities.
6	Cut-off date	The declaration of public utility can be discussed as partial analogue of cut-off date. The expropriation procedure can start in 10 days after announcement.	No early limitations on land transactions/house-buying is considering	The national procedure will be followed by the authorities

7	Compensations and compensation costs	Fair compensation provides to all owners for every asset The assets' compensation calculated by the licensed experts on the market-based valuation.	Full replacement costs should be compensated (including the market cost of the land/facilities of the same use value and all transactions related to the procedure.	The public authorities will work on the basis of national procedure. In addition, within the RAP preparation, the other measures could be undertaken by the Client where relevant (in-kind compensations, technical assistance, etc)
8	Who is compensated?	Land/real assets owners are compensated	Other categories of land-users should be compensated (look para 3.2.2.4)	Additional studies should be undertaken within LACP/RAP preparation, proper measures to be identified
9	Land-based households	No special provisions on land-based households exist	For land-based households the land compensation is preferable	Investigate the issue and suggest the proper measures within the LACP/RAP preparation
10	Resettlement/Livelihood Restoration Planning	No special planning provisions exist	Resettlement and livelihood restoration plan is required at the next planning stage	To prepare LACP/RAP, on the basis of census and socio-economic survey
11	Grievance mechanism	Administrative and court-based mechanisms are established.	No particular requirements to grievance mechanism exist	To establish the grievance mechanism within land acquisition process
12	Monitoring	No monitoring process is required when expropriation is finished	Lack of resettlement monitoring (including consultations)	Establish the monitoring process within LACP/RAP development and carry out monitoring during LACP/RAP Implementation

6. METHODS OF VALUING AFFECTED ASSETS

All compensation for housing and other affected assets will be paid at replacement cost; land at current market prices or normative land prices; Moldovan legislation requires determining both the market value of land and normative land value according to Law no. 1308. In case the land market value is lower than the normative land value, the Project Affected Persons are entitled to an equal compensation to the land normative value. Depending on the portion of land that is taken from the proprietor and the possibility for him/her to acquire a replacement plot for the same activities market value will suffice. If, however, there is no possibility to restore one's land and related activity further assistance will be considered.

Compensation rates will be established for replacement cost and market prices during the cost survey. The compensation rates will be established by certified valuers. All costs for subproject resettlement programs including land acquisition, compensation and allowances, operation and administration costs, surveys, monitoring and reporting will be financed from GoM funds or IFIs sources. Respective Moldelectrica/MEPIU will be responsible for payment of compensation directly to those affected. The RAPs will identify key activities for which funds will be used, any disbursement milestones, and auditing requirements that will facilitate appropriate and timely delivery.

A cost table will be included in each Resettlement Action Plan. Cost tables will be prepared according to the template shown in next Table.

Table 3. Template for Resettlement Cost Table

Description	no. of PAPs	Unit	Rate lei/unit	Number of units	Amount (lei)
Compensation for the loss of assets and incomes					
<i>Land</i>					
Agricultural land		m ²	LEI/m ²		
Residential land		m ²	LEI/m ²		
<i>Structures</i>					
Permanent		m ²	LEI/m ²		
Semi-permanent		m ²	LEI/m ²		
Temporary		m	LEI/m ²		
<i>Trees/perennial crops</i>					
specify tree types		Stem	LEI/stem		
		Stem	LEI/stem		
		Stem	LEI/stem		
<i>Annual crops</i>					
		Ha	LEI/Ha		
<i>Subtotal</i>					
Institutional Development					
Training session/workshop[b]		Session	LEI/ Training session		
<i>Subtotal</i>					
Independent M and E		Evaluat	LEI/Input		

		ion Input			
<i>Subtotal</i>					
GRAND TOTAL					

[a] Figures to be included in the above Table are for budgeting purposes only. Actual payments will be based on negotiations with APs, and according to respective WB policy and Government regulations.

[b] To function effectively, members of the newly formed Resettlement Committees (or other public participation structure) at respective Project Implementation Units will require re-orientation and training in what will be for them a range of new of skills and responsibilities.

7. ORGANIZATIONAL ELEMENTS AND PROCEDURES FOR DELIVERY OF ENTITLEMENTS

The Project IFIs will seek to reach an agreement with the Government of Moldova (GoM) represented by the Ministry of Agriculture, Regional development and Environment (MADRM), Moldelectrica, National Statistical Bureau (NSB), and Cadaster and Land Relations Agency (ARFC), Ministry of Economy and Infrastructure (MEI), Ministry of Finance (MoF) and State Planning Institute for Land Management (IPOT) as necessary, on defining specific institutional roles and responsibilities for the design, implementation and monitoring of the resettlement activities, including preparation of any individual RAPs.

Land acquisition and compensation will be undertaken according to national legislation with particular reference to the Law on Expropriation for Reasons of Public Use No. 488 of 7 August 1999 (Law of Eminent Domain). This lays down rules for expropriation and appropriation of land and sets out the conditions and procedures for compensation. There is, however, only a very incomplete guidance as to how this legislation is to be enforced.

The expropriation process is follows:

Notification of landowners –The PAPs will be informed through a formal notification in writing. In addition, the Mayor's Offices from affected communities and individuals who control land will accompany the survey teams to identify sensitive areas and to properly consulted the PAPs.

Public Participation and consultation initiate the compensation process as part of an ongoing process that would have started at the land selection/screening stage and at the time the socio-economic assessment is being carried. Instead, this process seeks their involvement and wishes to inform communities in a participatory approach with the project, from the beginning.

Results of the census surveys, including:

- *Documentation of Lands and Assets* – the Expropriator and IPOT/ RAPs implementation teams to arrange meetings with affected individuals and/or households to discuss the compensation process. For each individual or household IPOT completes a compensation dossier containing necessary personal information on the affected party, total land area, inventory of assets affected, and information for monitoring their future situation. Dossiers will be kept current and will include documentation of all assets surrendered and/or impacted.
- *Agreement on Compensation and Preparation of Contracts* – All types of compensation are clearly explained to the individual or household. The RAPs implementation Company/Institution. draws up a contract, listing all property and land being surrendered and/or assets impacted, and the types of compensation selected.

- *Compensation Payments* – The Expropriator has to value the property both at market value and normative value. The market value is assessed by licensed valuers (certified real estate valuers) according to the Law on evaluation no. 989 as of 18.04.2002. The normative value is determined by licensed valuers (certified real estate valuers) according to the Law no. 1308 regarding the normative price and the mode of selling-purchase of land as of 25.07.1997. Cash compensation at market rate or normative rate whichever is higher is paid to the Affected Person prior to expropriation. Transaction costs are bared by the Expropriator.
- *Complaints Redress Committee* - The Committee is constituted by the Government. The main role of this Committee is to redress the PAPs complaints on compensation payments.

8. IMPLEMENTATION PROCESS

Institutional arrangements include a section on how Moldelectrica and MEPIU plan to carry out tasks in preparing, implementation and monitoring of safeguards including, land Acquisition compensation payments.

The Ministry of Economy and Infrastructure is the Project initiator. The Ministry and the MEPIU established by the Ministry shall be totally responsible for the project implementation, which includes among other tasks delegated on preparation, implementation, funding and coordination of resettlement tasks.

The Beneficiary and Executing and Implementing Agency for the Project will be the SE Moldelectrica, separate Project Management Units; MEPIU is selected for Project management and facilitation of the entire process.

The MEPIU/Moldelectrica shall be responsible for the implementation of the RPF in close partnership with local authorities. The MEPIU shall assist the project-affected persons in protecting their rights and preparation of the documents required for the registration of the land to be acquired, agreement on land use and agreement on easement. Compensation/rehabilitation activities shall be implemented prior to the beginning of construction.

Role /task	Institution	Comment
Project initiator/ overall supervision and deciding main direction of Project	MEI	MEPIU & Moldelectrica are under MEI. Close consultation & reporting to MEI are done regularly
Project Beneficiary institution, responsible for the implementation, Executing Agency	Moldelectrica	
Project management and facilitation of the entire process	MEPIU	
Registration in land cadaster the rights. Coordinating the transferring of public lands to Moldelectrica	Public Services Agency	
Preparation for entire packages of	IPOT	

documents related to land acquisitions including maps, schemes, land evaluations etc.		
Information disclosure to all Project Affected People	Moldelectrica / MEPIU	
Development of RAP	Moldelectrica / MEPIU	To select an experienced external consultant/company
PAPs assistance during RAP implementation	Moldelectrica / MEPIU/ LPA/ Rayonal public Administration	
Participatory PAPs assistance during RAP implementation, Community Information disclosure. Grievances registration and support for solving and results monitoring.	Grievance Redress Committee/ LPA/ Rayonal public Administration	

The implementation process of preparing resettlement plans for the CPMP shall involve the following activities:

1. Convening consultations with PAPs and communities;
2. Conducting a census to obtain socioeconomic information about the PAPs to identify and record the affected land and crops, and entitlements;
3. Determining the eligibility for compensation;
4. Reviewing and disclosing valuation methods to the PAPs;
5. Establishing cut-off-date for eligibility for compensation;
6. Developing draft agreement for land lease;
7. Undertaking land surveys and valuation of land;
8. Undertaking crop surveys and valuation of crop;
9. Preparing schedule for payment of compensation;
10. Signing of the agreements/contracts and disbursement of the compensations to PAPs;
11. Taking possession of the sites for Project components;
12. Monitoring and evaluating the implementation of the RAPs.

With regard to linking resettlement implementation to the civil works:

- The civil works shall commence only after all compensations have been satisfactorily agreed, payment is received in full by the PAPs;
- The contractor will be instructed to mobilize and take possession of the sites to commence the civil works only after the PAPs confirm that compensation has been received and that they have not been affected or affected due to the civil works;
- Any unresolved issues shall be addressed to the Grievance Redress Committee (GRC) and must be resolved prior to commencement of the civil works by the contractor.

Moldelectrica or its designated representative consultant firm will be responsible for the following activities, to be completed before the start of construction activities:

- Identification of any affected households;
- Assessment of lost assets (trees/crops) for respective households;
- Signing agreement between the Project and the households regarding compensation and rights and obligations of both parties;
- Organize the process of the payment of all compensation entitlements.

Clearance of project areas will be completed at least one month before construction works begin, and only after WB have certified that the resettlement operation has been completed to their satisfaction.

The loss of the ownership must be compensated prior the construction works.

During the operation of the OHL the potential impacts will be caused by tower footprints and restrictions within the safety corridor.

Land acquisition, compensation payment and relocation of project affected persons (APs) cannot commence until the RAP has been reviewed and approved by Moldelectrica and WB. All resettlement activities will be coordinated with the civil works schedule. Civil works (construction) for any given section of Project may not begin until all relevant affected parties in the section have received full compensation for the land, asset or resource that will be taken for construction or other project use. Moldelectrica will ensure that civil works contractors are not issued a notice of possession of site for construction work for any specific section of infrastructure before Moldelectrica/MEPIU have, in accordance with the approved RAP, completed both the payment of AP compensation entitlements and any necessary relocation if necessary. Each RAP must be completed, both in format and in substance, satisfactory to these agencies prior to the issuance of tender documents for construction. It is, however, possible that a phased procedure be agreed allowing construction to begin on a stretch of OHL corridor where the RAP has been fully implemented while completing resettlement and RoW clearance activities on another stretch of the same segment.

MEPIU/Moldelectrica will recruit, if considered necessary, national or international consultants to undertake sufficient and appropriate research and field investigations enabling formulation of reports and plans required to fulfill Moldelectrica and WB safeguard requirements. Among these reports and plans will be RAPs.

The contracted consultants will submit completed draft (A)RAPs to MEPIU who will consult with the WB Safeguards Team consultants so as to ensure respective RAPs will be approved when submitted to WB for NO.

9. GRIEVANCE REDRESS MECHANISMS

9.1. Objective and Procedures

Another objective of MEPIU/Moldelectrica is providing for a redress mechanism to avoid potential delays on the commencement of construction works for the Project. The primary objective will always be to prevent grievances rather than going through a redress process. This can be obtained through careful RAP design and implementation, by ensuring full participation and consultation with the PAPs, by establishing extensive communication and coordination between the community, the PMU and local governments in general.

The APs should be aware of the procedures on the resolution of grievances, which the Resettlement Team will inform to Project stakeholders during Project disclosures and public consultations.

An important issue here is to establish and maintain a high level of continuity between the public consultation and project disclosure programme which will include briefing on grievance redressal,

the recording and management of specific cases and the more general project wide monitoring and evaluation provision. Continuity is important as it ensures that communities feel themselves as permanently being Project stakeholders.

Grievances lodged by an affected person can relate to any aspect of the resettlement programme including eligibility, rates and access to compensation being offered either for their losses or their other entitlements. Grievance redress mechanism for conflict resolution will be part of the institutional and implementation process.

9.2. Grievance Redress Mechanism

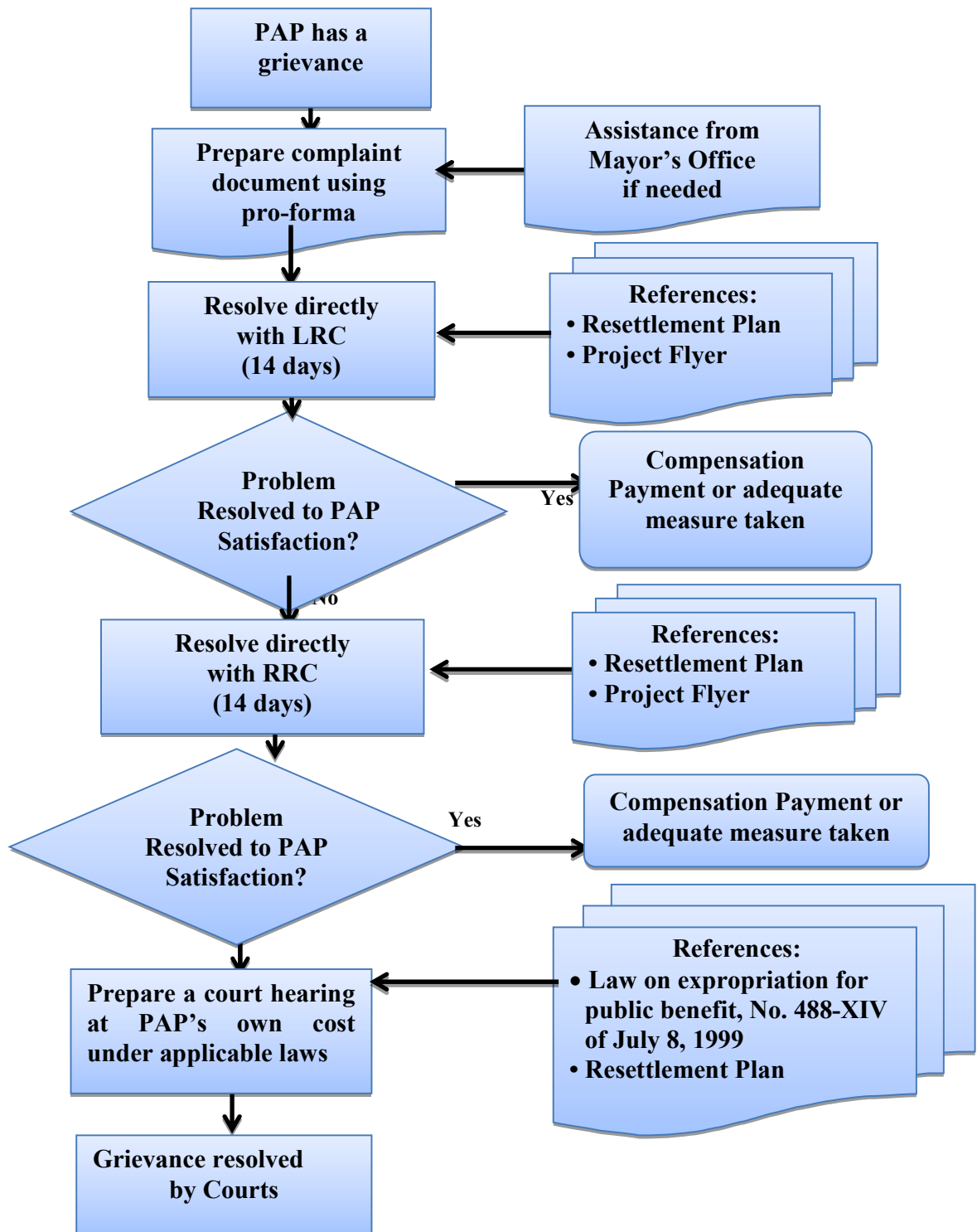
With the support of MEPIU and Moldelectrica, if considered necessary, with the support of Consultants, the grievance redress committees will be established as follows: (i) Local Resettlement Committee (LRC) on resettlement and land acquisition located and formed at community level; (ii) Rayonal/District Resettlement Committee (RRC) located at and formed at Rayonal/District Administration level. The delegates from other institutions may be included in this Committee (environmental, public health authorities, land cadaster, forest agency etc.)

The Local Resettlement Committees to be established through Mayor's Order will consist of 5 members each; the mayor who will be the LRC chairperson, the cadastral engineer, a representative of Local Council, representative or formal leader of PAPs, and a representative of local NGOs or an informal local leader if available.

The Rayonal/District Resettlement Committee will be established through Order of the Chairman of District Council. It will consist of 7 members and will comprise 3 relevant specialists from Rayonal/District Council, 3 representatives from PAPs and 1 representative to be nominated by the Project.

Due to lack of experience in applying in Moldova the principles of the EBRD Environmental and Social Policy PR5, EIB Statement of Environmental and Social Principles and Standards, EIB guidance note on involuntary resettlement and WB OP 4.12 regarding land acquisition and resettlement, members of the LRC and RRC, together with the secretaries of Local and District Councils (in charge for receiving and keeping evidence of complaints), will be provided with trainings concerning operation and implementation of the grievance redress mechanism.

Grievance Redress Mechanism



10. ARRANGEMENTS FOR FUNDING RESETTLEMENT

All land acquisition and resettlement preparation and implementation costs, including cost of its compensation and administration, will be considered an integral part of the proposed Projects' costs. The RAP will include a budget section indicating (i) unit compensation rates for all affected items and allowances, (ii) methodology followed for the computation of unit compensation rates, and (iii) a cost table for all compensation expenses including administrative costs and contingencies.

Finances for compensation, allowances, and administration of RAP preparation and implementation will be provided by the proposed Energy projects via a specially allocated RAP Fund and partially by the Government, if such agreement can be reached. Costs for external monitoring tasks can be allocated under IFI funding. In order to ensure that sufficient funds are available for land acquisition and resettlement tasks, the proposed Energy projects (RAP Funds) will have to allocate 100% of the cost of compensation at replacement cost and expected allowances estimated in each RAP plus 15% of contingencies before RAP implementation.

Being a key agency for resettlement activities, Moldelectrica will be responsible for the oversight of the timely allocation of the funds needed to implement the RAP. Allocations will be reviewed twice a year based on the budget requirements indicated by the RAPs.

Respective sources of funding for these and other related studies, responsible institutions and contingency arrangements are not yet known.

11. MECHANISMS FOR CONSULTATIONS WITH AFFECTED PERSONS

11.1. Participation and consultation

Infrastructure development projects are designed and implemented for the public good. Depending on the size of a particular project it is frequently unavoidable that implementation will have immediate adverse impacts on some members of the community. Such adverse impacts put respective households or individuals at risk. Adverse impacts include loss or accommodation and/or other assets and/or livelihood. Other impacts might include loss of access to natural resources or damage to cultural artifacts or areas. Whenever such negative impacts are foreseen a resettlement is prepared to address and mitigate against such negative impacts.

Policy implementation will be carried out with continued participation of affected households. Procedures to assess last moment impacts and establish mechanisms to ensure that the land will be taken only after the impacts are compensated.

Consultation with and between all project stakeholders, and particularly with APs, should proceed throughout project planning, implementation and pre- and post-project evaluation. Participation and consultation activities will be implemented according to a Public Consultation and Project Disclosure Plan (PCPD) or updated Project Stakeholder Engagement Plan (SEP) already developed at FS stage.

Continuous consultations

Consultations should start early and continue throughout the entire resettlement process, including the implementation, monitoring and evaluation of compensation payment and resettlement. All affected communities should be involved (including host communities).

A group of community members has to be organized in formal meetings to monitor the environmental and social aspects of Project including the RAP implementation. In this Group – namely Committee, should involve also PAPs.

As outlined in the stakeholder engagement plan, Social Impact Monitoring Committee (SIMC) will be established in each Project districts (rayons) will be formed for continuous consultation and participatory implementation of safeguards .

The Social Impact Monitoring Committee (SIMC) main tasks will be to provide community support in monitoring the social/environmental impact of the construction of Project OHTL and BtB station. The SIMC will be developed as a social, non-governmental and non-political structure. It will be established on a project basis with members from sub-project affected localities with aim to provide community inputs in monitoring of environmental/social impact on the local communities that may arise in course of Project implementation.

Focus on vulnerable groups

Both men's and women's perspectives should be taken into account.

Vulnerable groups have been identified through the ESIA process; the client has to ensure that these 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.

The affected persons shall be given the opportunity to participate in the negotiation over the compensation packages, resettlement assistance, suitability of proposed resettlement sites and proposed timing.

Decision-making processes related to resettlement and livelihood restoration will include options and alternatives from which affected persons may choose.

12. MONITORING AND EVALUATION

12.1. Monitoring Indicators

Monitoring indicators should include but not necessarily be restricted to the following:

- Payment of compensation to households according to entitlements described in the above project policy;
- Checks on inventory forms and assessment of compensation;
- Sub-project stages between compensation arrangements and commencement of civil works;
- PAP satisfaction (solved grievances on PAPs satisfaction) with negotiation process, with compensation, with relocation (if any), with economic rehabilitation (if any);
- Monitoring of businesses where income has been affected;
- Monitoring grievances lodged and grievances resolution;
- Other relevant indicators as specified in RAPs, if needed.

Results from this monitoring will be collected and compiled on a regular basis and a database maintained and regularly updated.

12.2. External Evaluation

An agency specialized in social sciences, or an independent expert with similar experience, will be responsible for conducting an independent external evaluation of the project policy implementation and subsequent consequences.

In addition to verifying, the information furnished in the internal supervision and monitoring reports, will visit households on a monthly basis for three successive months following completion of sub-project engineering activities to:

- Gather qualitative indications of the social and economic impact of project implementation on the respective households. (For example, what has been their experience of project policy implementation? In retrospect, do they feel the process was fair and equitable? Did they have and/or do they still have grievances? If so, what is their experience of the grievance redress procedure? How might improvements be made?);
- Suggest modification in the implementation procedures of the RAP, as required, so as to up-grade performance in achieving project policy objectives.

12.3. Evaluation Indicators

The following indicators will be used in this evaluation:

- The payment of compensation: payments made to all affected households before project implementation;
- The adequacy of the method for determining valuation and compensation for assets (crops and trees) and/or incomes;
- The sub-project age of resettlement and construction: respective resettlement activities should be completed at least one month before the start of associated physical works;
- Restoration of economic activities: affected persons should be monitored for restoration of income earning capacity and production levels;
- Households informed and consulted about project policy and procedures;

- Level of satisfaction: (i) the level of satisfaction of affected households evaluated and recorded; (ii) the operation of the mechanisms of grievance redress and the speed of redress of grievances.

12.4. Reporting

The evaluation Agency/expert will prepare and submit a report of its evaluation to Moldelectrica within fifteen days of its final monthly field visit. This report will be included as an annex to the completion report submitted the central project office in Chisinau following completion of works on respective sub-projects.

The report should reflect (i) the progress of project policy implementation; (ii) deviations, if any, from the provisions and principles of this policy; (iii) identification of problem issues and recommended solutions.

13. DISCLOSURE

The full ESIA package, including the Non-Technical Summary, Stakeholder Engagement Plan and Land Acquisition and Compensation Framework was available for public starting with 27 of July 2017, on EBRD website in English language, and on Moldelectrica website in both Romanian and English languages. During the 120 days disclosure period the comments to the ESIA) received in writing and public consultations were carried out in seven districts (rayon) where the Project will be implemented – Chisinau, Ialoveni, Hincesti, Cimislia, Leova, Taraclia, Cahuls – and UAT Gagauzia (Comrat and Vulcanesti).

This RPF and ESIA package was reviewed in a manner consistent with World Bank Safeguards Policies and Procedures, World Bank Group (WBG) General Environmental Health and Safety Guidelines and relevant laws and regulations of the Government of Moldova..

Therefore, the updated Resettlement Policy Framework, Environmental and Social Management Plan for ME's new building will be disclosed on the official on WB, Moldelectrica and MEPIU websites on 27th December for 120 days for public views, feedback and comments .

14. ANNEXES

ANNEX 1 - RESETTLEMENT ACTION PLAN CONTENTS

1. PROJECT DESCRIPTION;
2. PROJECT IMPACTS;
3. EVALUATION OF PROJECT IMPACTS AND COMPENSATION (socio-economic study, census survey of affected persons and valuation of assets);
4. CONSULTATION AND PARTICIPATION;
5. LEGAL FRAMEWORK AND INSTITUTIONAL ARRANGEMENTS;
6. GRIEVANCE REDRESS FRAMEWORK;
7. IMPLEMENTATION AND TIMETABLE;
8. BUDGET;
9. MONITORING ARRANGEMENTS.

ANNEX 2 - PUBLIC CONSULTATION AND PROJECT DISCLOSURE PLAN (PCDP)

This Plan has to be developed at the stage of RAP preparation.

Infrastructure development projects are designed and implemented for the public good. It is, however, sometimes unavoidable the project implementation to have immediate adverse impacts on some members of the community. Such adverse impacts put respective households or individuals at risk. Adverse impacts include loss or accommodation and/or other assets and/or livelihood. Other impacts might include loss of access to natural resources or damage to cultural artifacts or areas. Whenever such negative impacts are foreseen a resettlement plan is prepared to address and mitigate such negative impacts. The resettlement plan is a tool for risk management.

Consultation with and between all project stakeholders should precede throughout project planning, implementation and pre- and post-project evaluation.

Notification of this planned consultation process is provided in each resettlement plan (RAP). Preparation of a resettlement plan involves a series of steps:

1. The PCPD process will begin with a well-publicized and advertised public meeting. The objectives of the meeting will be:
 - to disclose and provide information about the proposed project, and its importance as a feature of local/national development strategy;
 - to indicate provisional estimates of envisaged scope of negative impacts and to provide opportunity for local communities to express initial concerns and aspirations;
 - to introduce people to the requirement to produce a resettlement plan and AP's entitlements based on negotiated compensation rates and/or 'replacement value'.

A record will be kept of all people attending the meeting with matching signatures. Photographs will be taken to illustrate proceedings.

2. Respective project sites will be walked by informed project professional staff in association with members of local communities, including respective potentially affected persons. The objectives of this activity will be:
 - to ensure that local communities are made fully aware of the scope of proposed works;
 - to provide opportunity for local people to comment on the proposed works and to make suggestions as to how they feel adverse social or environmental project impacts might be minimized and/or project benefits enhanced;
 - to compile an initial list of APs.

Records will be kept of the names of those people accompanying these walks and of suggestions made.

3. Use secondary data (e.g., district statistical records) to prepare a draft socio-economic profile of respective project area populations. Reasons for undertaking such a profile include:
 - to identify social sectors of the sub-project areas (for example ethnic minority peoples or other vulnerable groups) which may need special arrangements to be made;
 - to provide a background for an associated sub-project Monitoring and Evaluation (M and E) exercise, among APs and among project beneficiaries in general;

- to provide information to assist the design of alternative income making strategies for severely impacted households.
4. Hold focus group discussions (FGD) both formal and informal. The purpose of these meetings will be:
 - to check and to supplement secondary data so that it is representative of project areas;
 - to provide participants with further opportunity to express their concerns and aspirations as well as propose alternative civil works activities;
 - to refine/confirm list of APs.
 5. Undertake registration of APs assets complete with detailed measurement survey (DMS).
 6. Convene public meeting to discuss and finalize rates of compensation to be paid for full range of assets.
 7. Complete a draft entitlement matrix showing categories of loss, numbers of APs, entitlements, official responsible and arrangements for payment.
 8. Prepare Resettlement Plan (RAP) to include final version of entitlement matrix, cost table and schedule of future activities.
 9. Both matrix and RAP published along with schedule of dates for payment of entitlements, land clearance and commencement of civil works. Community members are notified that after receiving payment for lost assets there will be a one-month delay before land clearance to enable APs to settle outstanding disputes or grievances and to remove assets off site.
- Records will be kept of all public meetings and be attached as annex to respective RAPs.

ANNEX 3 –UNIT COSTS

Average market Unit costs			For buildings:		
Type	Units	Value (USD), per unit	Default size, sq.m	Residents per 100 sq. m.	Land Owners per 1000 sq.m.
Usufruct Walnut Harvest per tree per season	Each	50			
Vacant land	sq. m.	7.08			0.25
Irrigated crop land	sq. m.	8.35			0.5
Orchards	sq. m.	9.91			0.5
Urban/suburban land	sq. m.	11.28			0.5
Medium residential buildings	sq. m.	280	150	2.5	
Small non-residential buildings	sq. m.	75	50		
Small residential buildings	sq. m.	109	100	2.5	
Wells (replace)	Each	3000			
Fences (replace)	m.	15			