

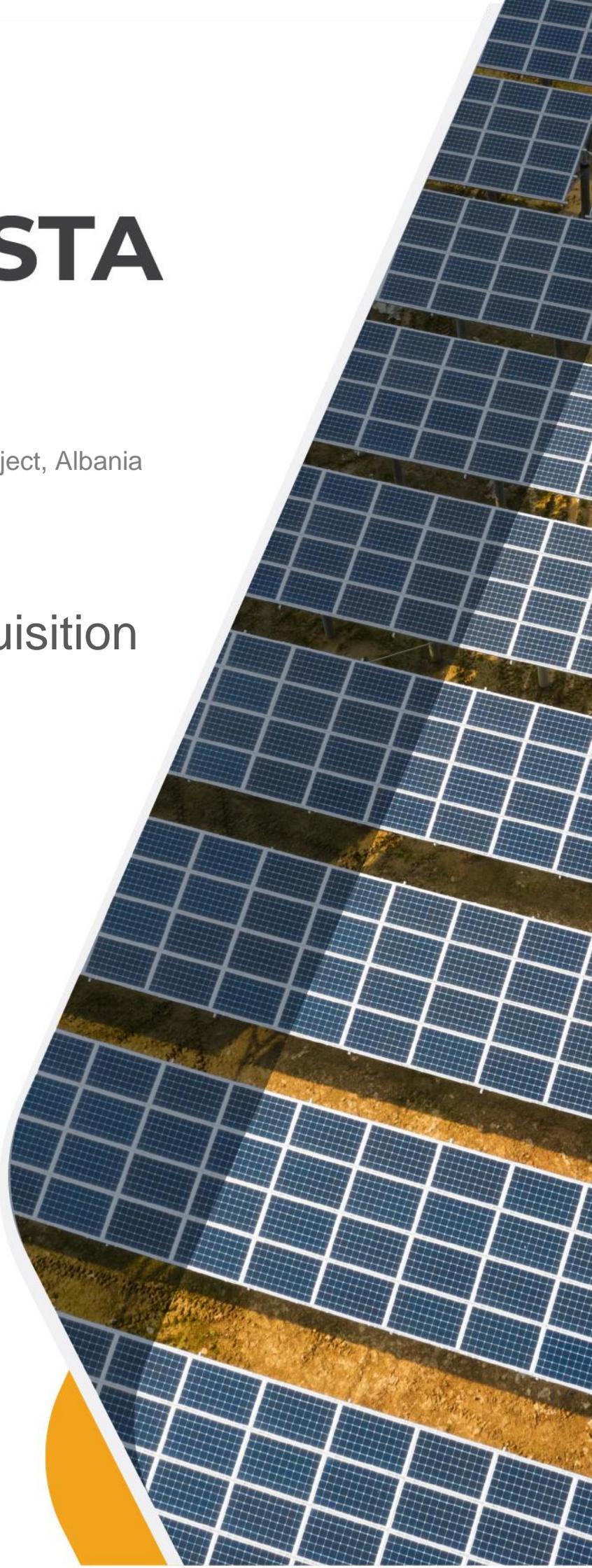
August 30, 2022

KARAVASTA SOLAR

Karavasta 140 MW Solar Power Project, Albania

Guide to Land Acquisition and Compensation

August 2022



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1 WHAT IS THE KARAVASTA SOLAR POWER PROJECT?

“Karavasta Solar” sh.p.k, an Albanian corporation, proposes to construct a 140-MegaWatt **Solar Power Plant**, and an associated **Overhead Power Line**, in the Divjaka and Fier municipalities of Albania.

The Solar Power Plant will be constructed and operated by “Karavasta Solar” sh.p.k, while the Overhead Transmission Line (OHL) will be constructed by Karavasta Solar sh.p.k, but owned and operated by OST, the State Energy Provider.

The Project is important to the national energy supply and will be beneficial to the country.

The location of the Solar Power Plant, and the route of the Overhead Power Line, is shown below.



Figure 1: Project Scheme

The Company is committed to complying with Albanian law, the environmental and social policies of the European Bank for Reconstruction and Development (EBRD) and International Finance Corporation (IFC), and international best practice.

Solar Power Plant

The land for the Solar Plant Site consists of 185 Hectares of State-owned land, which will be surrounded by a perimeter fence. The land for the PV Plant will be transferred from the Ministry of Infrastructure and Energy to Karavasta for the purpose of the construction of the PV Plant.

Part of the PV Plant Site falls under the Administrative Unit of Remas (Municipality of Divjakë), and the other part under the Administrative Unit of Libofshe (Municipality of Fier). The Plant Site development will include improvements to access roads and drainage, to continue to allow and improve access to grazing lands, and coastal areas.

Overhead Power Line

The overhead line will connect the Solar Power Plant to the Fier substation, a route of approximately 19.2 km. The overhead line will pass through lands in the administrative units of Libofshe, Qënder, Levan, Topoje, and Dërmenas (Municipality of Fier). The overhead line will include 57 pylons with a 10m x 10m base. Some Pylons will also incorporate access roads to the Pylon. The overhead line will be owned by *Operatori i Sistemit të Transmetimit* (OST).

2 WHEN WILL CONSTRUCTION BEGIN AND HOW LONG WILL IT LAST?

The construction of the PV Plant and the OHL is planned to commence with some early works at the Solar Power Plant Site in the second half of 2022, and will be in full operation by the second half of 2023 (a construction time of 11 months approximately).

The final detailed construction schedule will be specified during the detailed design phase, and affected households will be kept informed of the schedule and when construction works may take place close to or on their properties.

3 WHAT ARE THE PROJECT IMPACTS?

Solar Power Plant

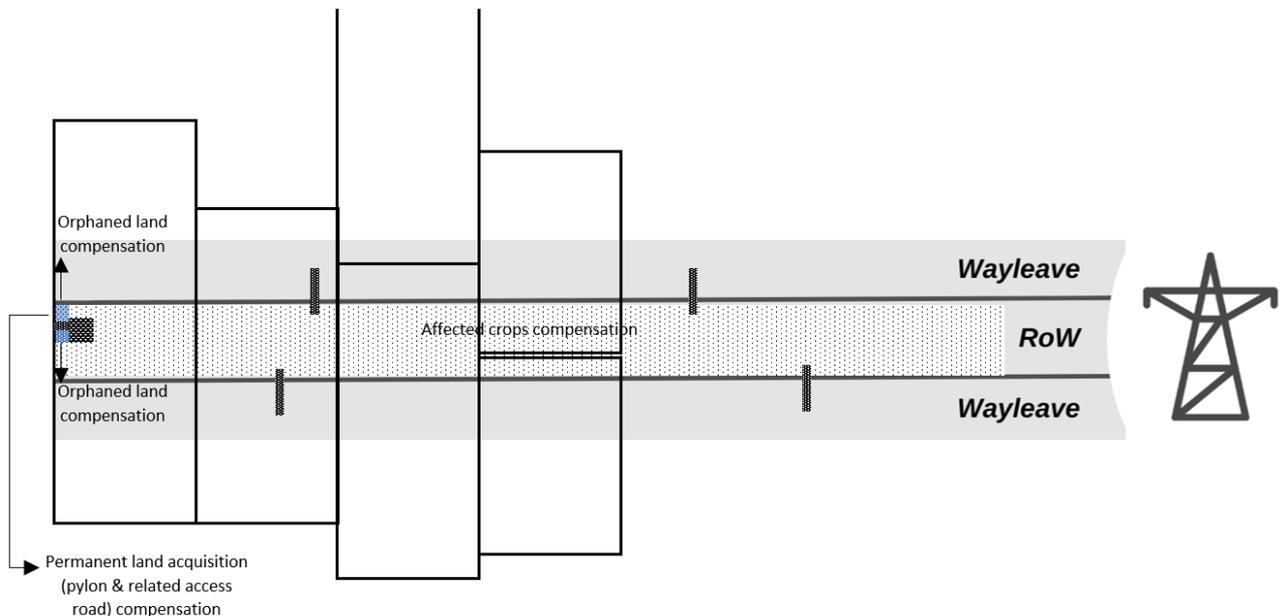
The Solar Power Plant will be built on vacant State-owned land. The development will include improvements to access roads and drainage around the Plant Site, which will improve land drainage neighbouring the Site, and allow for improved access to grazing lands and the coast. Grazing will continue inside the Plant Site when operational. Two private land parcels adjoining the Plant Site will be rented from their owners and used temporarily for construction camps and materials. These will be reinstated and returned to the owners following construction.

Roads in the surrounding area will be used to transport some equipment and machinery to the site. The Project will ensure that there is no impact on community health and safety as a result, and that there is no damage to property. Baseline surveys of existing conditions will be taken prior to construction where there is potential need for temporary land access or crop damage, or any risk of damage to structures. Compensation will be paid for any loss of crops or of any land needs to be acquired for access roads.

Overhead Power Line

Construction of the overhead line will involve both permanent and temporary impacts on agricultural land affected by the line route. Small portions of land will be permanently acquired for Pylons (approximately 57 pylons with a 10m x 10m base), and access routes to the pylons in some cases. The locations of the pylons have been designed to minimize impacts on farming. It will still be possible to utilize the parcels for farming after construction.

During construction of the overhead line, temporary land access in the ‘right of way’ - a corridor either side of the line route – will be required while the overhead line is built. Construction of the overhead line in any one parcel should be completed within approximately one day. The land will be reinstated to its previous condition following access for construction of the line, and any crops which are damaged will be compensated.



During operations, there will be some restrictions on what can be located under the overhead line for safety reasons (e.g., some structures, high trees, etc.). However, there will be no restriction on farming or other agricultural uses. The Project will pay easement compensation to ‘construction land’, even though no legal easement restrictions will apply.

4 COMPENSATION GENERAL PRINCIPLES

In order to fully mitigate for the impacts highlighted above, Karavasta’s land acquisition and compensation approach is based on the following key principles:

- Compliance with Albanian law and international requirements
- Avoidance of physical displacement (avoiding houses and businesses) and minimisation of economic displacement (minimizing impacts on farming)
- Compensation for land and crops based on full replacement value at market rates. Full replacement value will include related transaction costs.
- Land required on a permanent basis, for pylons or access roads, will be acquired from its current owners
- Land required on a temporary basis, such as for construction camps and laydown areas, will be compensated through land rental agreements, and the land will be fully reinstated after the temporary use
- Owners of land that have ‘construction land’ within the 25 m corridor will be compensated in accordance with urban land easement rates.
- Users of Land that are affected due to construction works will be compensated at full replacement value for any standing crops
- Orphan land, i.e., where land acquisition, either permanently or temporarily, results in any

- portion of the land parcel being deemed uneconomical or inaccessible, will be
- The project will utilize expropriation process for permanent land acquisition. The project will enter into compensation agreements with landowners to compensate permanent land acquisition at project rates. Landowners may follow expropriation process to obtain the expropriation amount in addition to the compensation amount provided by the project.
 - In addition to compensation for assets, additional livelihood measures will be developed as required to ensure effective and timely restoration of affected farm parcels
 - Potentially vulnerable households will be identified, and if required provided with additional transitional assistance
 - Affected people will have access to a dedicated Project Grievance Mechanism.

Detailed Compensation approaches are described below, followed by full tables of all replacement values. All impacted people will be given an opportunity to review and sign-off on the survey of their assets affected by the project, and will be presented with a detailed calculation of their applicable compensation package. This will form part of the Household Sign-off Process with households prior to permanent and/or temporary land acquisition, and prior to payment of compensation for crops. This Household Sign-Off Process is also summarized below.

4.1 Compensating for Permanent Land Acquisition

Solar Power Plant: the majority of land is required for the implementation of the PV Plant (185 ha). The land required for the construction of the PV is state land.

Overhead Power Line (Pylon installation). The installation of 57 pylons with a 10m x 10m base will require land that will be acquired permanently for the pylons, and in some cases, access roads to the pylons. A land acquisition process will be undertaken by which the Project will acquire land from current landowners.

For the compensation processes referred above, the following principles will be followed:

- Landowner (including holders of AMTP certificate without registration): Compensation will be paid for land to landowners at the relevant 'Project Land Acquisition Rate' based on market value. Compensation for any fixed asset on the land affected will be compensated at full replacement value (e.g., irrigation, drainage structures, sheds, wells etc.). Landowners may follow expropriation procedures to receive expropriation amount which is in addition to compensation provided by the project through compensation agreements.
- Land User: Compensation to be paid to users for any standing crops at 'Project Crop Rates', based on full replacement cost for the loss of annual and/or perennial crops
- Affected farmers will be eligible for any livelihood restoration measures developed to ensure effective restoration and utilization of affected farm parcels, as required.

4.2 Compensating for Temporary Land Acquisition

Temporary land acquisition will be required in respect of 2 parcels adjacent to the Pant Site which will be used for Construction camps and laydown areas.

The following principles will be followed:

- Landowner (including holders of AMTP certificate without registration): Land Rental at the relevant 'Project Land Rental Rate' (12.5% of the Project Land Acquisition Rate, paid annually) for any areas affected by temporary land acquisition during the construction period;
- Land user: Compensation to be paid to users for any standing crops at 'Project Crop Rates', based on full replacement cost for the loss of annual and/or perennial crops;
- Reinstatement of all farm parcels following construction to pre-project conditions; and

- Affected farmers will be eligible for any livelihood restoration measures developed to ensure effective restoration and utilization of affected farm parcels, as required.

4.3 Compensating for Temporary Land Access

Temporary land access will be required during the construction process of the pylons and overhead line. Temporary land access differs from temporary land acquisition, as it relates to land access during construction works. Any use of access roads and the Right of Way for construction of the Overhead Line will generally be of approximately one-day duration in any one parcel. Where construction activities (e.g. in relation to the pylons) leads to a duration of over two months, Temporary Land Acquisition measures would apply.

The following principles will be followed:

- To Landowner (including holders of Akti i Marrjes së Tokës në Pronësi (AMTP) certificate without registration): Compensation for land at 12.5% of the Project Land Acquisition Rate, pro rated to the period of land use during construction (from land entry to land exit)
- Land user: Compensation to be paid for any standing crops at 'Project Crop Rates', based on full replacement cost for the loss of annual and/or perennial crops.
- Reinstatement of all farm parcels following construction to pre-project conditions
- Affected households eligible for any livelihood restoration measures developed to ensure effective restoration and utilization of affected farm parcels, as required.

4.4 Compensating for Orphan Land

Orphan land can be caused by Permanent or Temporary Land Acquisition.

- Permanent: Where permanent land acquisition results in any portion of the land parcel being deemed uneconomical, the project will compensate the remaining land deemed uneconomical as per the Permanent Land Acquisition principles above. It is anticipated that permanent acquisition of land for pylons will allow agricultural activities to continue on the affected farm parcels. However, there may be instances where a portion of land (e.g., between the pylon base and the farm boundary) may be separated from the remainder of the farm parcel and considered uneconomical to cultivate. This land will therefore be considered 'orphaned land'.
- Temporary: Where temporary land acquisition results in any portion of the land parcel being deemed uneconomical, the project will compensate the remaining land deemed uneconomical as per the Temporary Land Acquisition principles above.

The project will assess instances of orphaned land both during asset surveys and during project construction. Criteria to assess whether land is orphaned will include:

- Size and nature of the potentially orphaned land portion
- Duration of impact
- Typical farming techniques employed (e.g., use of machinery)
- Expert opinion of project agronomists on the viability of the potentially orphaned land.

4.5 Compensating for Easement Restrictions

The Project will not apply any legal easement restrictions. However, in practice people having construction land under the OHL route, may not be able to use this land for construction in the future. To mitigate this, the project will compensate the portion of construction land within the 25m corridor on each side of the OHL route in accordance with the project 'Urban Easement Values'

How have compensation rates and values been determined?

The Project has undertaken a Compensation Values Study (CVS) to determine appropriate compensation values in respect of all affected assets, including determination of:

- Project Land Acquisition Rate
- Project Crop Rates
- Project Land Rental Rates
- Easement Values.

This involved the following activities:

Step 1: Identification of Existing Applicable Values:

- Obtaining information on current compensation values from Albanian Government Agencies involved in land acquisition activities
- Reviewing and comparing methodologies used and whether they can achieve market value and full replacement cost
- Identifying the principles of the categorization of lands affected
- Identifying existing compensation values in the project area (both market values and government valuations)
- Considering how transactions may be underestimated (e.g. for tax reasons)
- Reviewing values against national requirements and international lender requirements
- Identifying information on official inflation rates for the last five years
- Identifying official statistics on prices of agricultural produce.

Step 2: Development of replacement rates and values for affected assets:

- Developing an appropriate categorization of affected agricultural land using criteria such as arable/pasture, irrigated/dry, soil type, etc.
- Developing a categorization of affected non-agricultural land using relevant spatial planning categories (urban residential, non-urban residential, industrial, etc.)
- Developing a geographical categorization of land relevant to valuation
- Preparing a matrix by crossing categories
- Calculating the current replacement value for each of the sub-categories consistent with international and national requirements
- Seeking from relevant Government agencies reference transactions for each of the sub-categories and associated prices per square metre and establishing a market value for each of the sub-categories of land
- Evaluating transaction costs (cost of registration and any taxes, fees, rights, etc.) which may be additional to the land value)
- Determining the compensation methodologies and values for permanent land acquisition, land rental, easement restrictions, and crop compensation
- Developing an update formula taking into account recent and upcoming inflation.

Step 3: Developing the detailed Compensation Matrix and full Tables of Replacement Values.

5 COMPENSATION MATRIX

The resultant Compensation Matrix for the Project is below.

Type of Impact		Type of Compensation
1. Permanent Land Acquisition	Land	To Landowner (including holders of AMTP certificate without registration): Purchase of land required at Project Land Acquisition Rate. Compensation for any fixed asset affected at full replacement value (e.g., irrigation, drainage structures, sheds, wells etc.)
		To Land User: Compensation for loss of crops at full replacement value
2. Temporary Land Acquisition	Land	To Landowner (including holders of AMTP certificate without registration): Compensation for land at 12.5% of the Project Land Acquisition Rate, paid annually
		To Land User: Compensation for loss of crops at full replacement value
3. Temporary Land Access		To Landowner (including holders of Akti i Marrjes së Tokës në Pronësi (AMTP) certificate without registration): Compensation for land at 12.5% of the Project Land Acquisition Rate, pro rated to the period of land use during construction (from land entry to land exit) To Land User: Compensation for loss of crops at full replacement value
4. Orphan Land		Subject to case-by-case review by expert opinion of project agronomists. Where land access results in any portion of the land parcel being deemed uneconomical, the project will compensate the remaining land deemed uneconomical as per the principles above.
5. Easement Restrictions*		Formal Urban Land: 90% of the Project Land Acquisition Rate

**The Project will not apply any legal easement restrictions. However, in practice people having construction land under the OHL route, may not be able to use this land for construction in the future. To mitigate this, the project will compensate the portion of construction land within the 25m corridor on each side of the OHL route in accordance with the project 'Urban Easement Values'.*

6 DETERMINING REPLACEMENT VALUES FOR AFFECTED PARCELS

The following approaches were taken to determining replacement values for affected parcels.

1. Determine Land Categories
 - Formal/Informal Urban land: Land that is generally used for residential, commercial or light industry. Informal urban land has the same land use, but is not formally zoned as 'urban'. The term is also used interchangeably with construction lands.
 - Agricultural Land: land used for farming. The crops may be annual or perennial (trees). The crops may also be irrigated or not. Affected land is divided into different categories.

- Forest Land: All land officially classified as Forest Land, which may be state owned or private owned.
- Pasture Land: Land generally not suited for farming, but better used for pasture.

2. Determine Crops Value

Compensation is based on full replacement value. The major contributors of full replacement value are:

- Agricultural yield
- Density of cultivation
- Producers prices
- Production costs
- Other (e.g. subsidies)

The replacement value is calculated as: Income (yield, market price, subsidies etc.) + expenses (transaction costs) = full replacement value.

- Factors affecting compensation for annual crops include: type of crop, yield, market price, production costs, other (e.g. subsidies)
- Factors affecting compensation for perennial crops (trees) include: type of crop/tree, yield, age of tree, production/life-cycle of tree, market price, production costs, other (e.g. subsidies)

Karavasta will reimburse project-affected households for any subsidy that is lost as a result of Project activities. The specific amount that may be due will be dealt with on a case-by-case basis.

7 COMPENSATION VALUES

Table 1: Project Acquisition Rates for Agricultural Land

Land Category	Fieri Region		
	Irrigation system (Yes/ No)	Project Agricultural Land Acquisition Rates in Albania Lekë and Euro per square metre	
		All/m2	Euro/m2
I	Yes	1068	8.76
I	No	641	5.25
II	Yes	887	7.27
II	No	621	5.09
III	Yes	694	5.69
III	No	555	4.55

Land Category	Fieri Region		
	Irrigation system (Yes/ No)	Project Agricultural Land Acquisition Rates in Albania Lekë and Euro per square metre	
IV	Yes	502	4.12
IV	No	452	3.70
V	Yes	299	2.45
V	No	269	2.21

Table 2: Project Acquisition Rates for Formal/Informal Urban Land

Fieri Region			
Cadastral No.	Village	Project Rates for Formal / Informal Urban Land	
		ALL/m ²	Euro/m ²
1002	ADRIATIK	1120	9.2
1414	ÇLIRIM	1500	12.3
1471	DERMENAS	1410	11.6
1557	DRIZE	1300	10.7
2939	PESHTAN I VOGEL	1120	9.2
3143	RADOSTINE	1450	11.9
3300	SEMAN	1115	9.1
3301	SEMAN I RI	1155	9.5
3545	SULAJ	1450	11.9
3691	VADIZE	1120	9.2
3934	ZHUPAN	1240	10.2

Table 3: Project Rental Rates for Agricultural Land

Fieri Region			
Land Category	Irrigation system (Yes/ No)	Project Agricultural Land Rental Rates per year of rental at 12.5% of the Project Land Acquisition Rate	
		ALL/m ²	Euro/m ²
I	Yes	133,5	1,1
I	No	80,1	0,7
II	Yes	110,8	0,9
II	No	77,6	0,6
III	Yes	86,8	0,7
III	No	69,4	0,6
IV	Yes	62,8	0,5
IV	No	56,5	0,5
V	Yes	37,4	0,3
V	No	33,6	0,3

Table 4: Project Easement Rates for Formal/Informal Urban Land

Fieri Region			
Cadastral No.	Village	Project Rates for Easement on Formal Urban Land (90%)	
		ALL/m ²	Euro/m ²
1002	ADRIATIK	1008	8.3
1414	ÇLIRIM	1350	11.1
1471	DERMENAS	1269	10.4
1557	DRIZE	1170	9.6
2939	PESHTAN I VOGEL	1008	8.3
3143	RADOSTINE	1305	10.7

Fieri Region			
Cadastral No.	Village	Project Rates for Easement on Formal Urban Land (90%)	
		ALL/m ²	Euro/m ²
3300	SEMAN	1004	8.2
3301	SEMAN I RI	1040	8.5
3545	SULAJ	1305	10.7
3691	VADIZE	1008	8.3
3934	ZHUPAN	1116	9.1

Fieri Region			
Cadastral No.	Village	Project Rates for Easement on Informal Urban Land (75%)	
		ALL/m ²	Euro/m ²
1002	ADRIATIK	840	6.9
1414	ÇLIRIM	1125	9.2
1471	DERMENAS	1058	8.7
1557	DRIZE	975	8.0
2939	PESHTAN I VOGEL	840	6.9
3143	RADOSTINE	1088	8.9
3300	SEMAN	836	6.9
3301	SEMAN I RI	866	7.1
3545	SULAJ	1088	8.9
3691	VADIZE	840	6.9
3934	ZHUPAN	930	7.6

Table 5: Project Annual Crop Rates

N o	Crops / Soil categories	Compensati on Value (ALL/Ha /Year)	Compensati on rate ALL/m²	Compensati on Value (Euro/ Ha/Year)	Compensati on rate Euro/m²
1	Alfalfa, 2nd land category (Jonxhë, kategoria 2)	176,761.83	17.68	1,448.87	0.14
2	Alfalfa, 3rd land category (Jonxhë, kategoria 3)	117,617.09	11.76	964.07	0.1
3	Alfalfa, 4th land category (Jonxhë, kategoria 4)	77,641.24	7.76	636.4	0.06
4	Barley (Elbi)	85,930.29	8.59	704.35	0.07
5	Bean, 2nd land category Fasule, kategoria 2)	610,843.01	61.08	5,006.91	0.5
6	Bean, 3rd land category (Fasule, kategoria 3)	504,619.20	50.46	4,136.22	0.41
7	Bean, 4th land category (Fasule, kategoria 4)	389,771.22	38.98	3,194.85	0.32
8	Beats (Panxhar i kuq)	848,561.64	84.86	6,955.42	0.7
9	Broccoli (Brokoli)	774,750.00	77.48	6,350.41	0.64
10	Bulb onion (Qepë e thatë)	606,882.69	60.69	4,974.45	0.5
11	Cabbage (Koke Lakër)	515,581.76	51.56	4,226.08	0.42
12	Carrot (Karatë)	848,561.64	84.86	6,955.42	0.7
13	Cauliflower (Lule lakër)	569,288.19	56.93	4,666.30	0.47
14	Celery (Selino)	816,337.78	81.63	6,691.29	0.67

N o	Crops / Soil categories	Compensati on Value (ALL/Ha /Year)	Compensati on rate ALL/m²	Compensati on Value (Euro/ Ha/Year)	Compensati on rate Euro/m²
15	Chicory (Çikore)	827,079.07	82.71	6,779.34	0.68
16	Cucumber (Kastravec)	939,862.58	93.99	7,703.79	0.77
17	Durum wheat (Gruri forte)	46,187.53	4.62	378.59	0.04
18	Eggplant (Patëllxhan)	934,491.94	93.45	7,659.77	0.77
19	Faba (Bathë)	542,434.97	54.24	4,446.19	0.44
20	Fodder (Foragjere thatë)	90,226.81	9.02	739.56	0.07
21	Forage Cabbage (Lakër foragjere)	167,564.07	16.76	1,373.48	0.14
22	Forage Maize, 2nd land category (Misër foragjere, kategoria 2)	88,314.86	8.83	723.89	0.07
23	Forage maize, 3rd land category (Misër foragjere, kategoria 3)	69,569.17	6.96	570.24	0.06
24	Garlic (Hudhra)	961,345.15	96.13	7,879.88	0.79
25	Green Fodder (Haselle)	67,670.11	6.77	554.67	0.06
26	Leek (Presh)	622,994.62	62.3	5,106.51	0.51
27	Lentils (Thjerrza)	210,529.22	21.05	1,725.65	0.17
28	Lettuce (Sallatë jeshile)	789,484.57	78.95	6,471.18	0.65
29	Maize, 2nd land category (Misër, kategoria 2)	187,220.63	18.72	1,534.60	0.15

N o	Crops / Soil categories	Compensati on Value (ALL/Ha /Year)	Compensati on rate ALL/m²	Compensati on Value (Euro/ Ha/Year)	Compensati on rate Euro/m²
30	Maize, 3rd land category (Misër, kategoria 3)	166,489.94	16.65	1,364.67	0.14
31	Melon (Pjepër)	934,491.94	93.45	7,659.77	0.77
32	Oats (Tershera)	53,706.43	5.37	440.22	0.04
33	Okra (Bamje)	934,491.94	93.45	7,659.77	0.77
34	Peas (Bizele)	596,141.41	59.61	4,886.40	0.49
35	Pepper, 2nd land category (Speca, kategoria 2)	913,009.36	91.3	7,483.68	0.75
36	Pepper, 3rd land category (Speca, kategoria 3)	671,303.56	67.13	5,502.49	0.55
37	Potatoes, 2nd land category (Patate, kategoria 2)	890,082.09	89.01	7,295.75	0.73
38	Potatoes, 3rd land category (Patate, kategoria 3)	664,928.61	66.49	5,450.23	0.55
39	Radishes (Rrepa)	741,148.78	74.11	6,074.99	0.61
40	Rye (Thekërr)	33,297.99	3.33	272.93	0.03
41	Soy (Soje)	143,933.24	14.39	1,179.78	0.12
42	Spinach (Spinaq)	649,847.84	64.98	5,326.62	0.53
43	Spring Bean (Bishtaja, Barbunja)	939,862.58	93.99	7,703.79	0.77

N o	Crops / Soil categories	Compensati on Value (ALL/Ha /Year)	Compensati on rate ALL/m²	Compensati on Value (Euro/ Ha/Year)	Compensati on rate Euro/m²
44	Spring Onion (Qepë të njoma)	483,357.90	48.34	3,961.95	0.4
45	Sugarbeats (Panxharsheqeri)	64,447.72	6.44	528.26	0.05
46	Sunflower (Luledielli)	263,161.52	26.32	2,157.06	0.22
47	Tabacco (Duhan)	204,084.45	20.41	1,672.82	0.17
48	Tomatoes in Greenhouse (Domate në serra) (medium technology)	3,007,560.25	300.76	24,652.13	2.47
49	Tomatoes, 2nd land category (Domate, Kategoria 2)	1,040,293.61	104.03	8,527.00	0.85
50	Tomatoes, 3rd land category (Domate, kategoria 3)	710,792.83	71.08	5,826.17	0.58
51	Tomatoes, 4th land category (Domate, kategoria 4)	577,788.84	57.78	4,735.97	0.47
52	Trefoil (Tërfil)	69,818.36	6.98	572.28	0.06
53	Triticale	37,594.50	3.76	308.15	0.03
54	Watermelon (Shalqi)	966,715.80	96.67	7,923.90	0.79
55	Wheat, 2nd land category (grurë, kategoria 2)	117,617.09	11.76	964.07	0.1
56	Wheat, 3rd land category (grurë, kategoria 3)	101,988.52	10.2	835.97	0.08

No	Crops / Soil categories	Compensation Value (ALL/Ha /Year)	Compensation rate ALL/m²	Compensation Value (Euro/ Ha/Year)	Compensation rate Euro/m²
57	Wheat, 4th land category (grurë, kategoria 4)	79,915.17	7.99	655.04	0.07
58	Zucchini (Kungulli)	966,715.80	96.67	7,923.90	0.79

Table 6: Project Perennial Crop Rates

Crops	Age	Compensation Rate			
		ALL/Ha	(ALL per tree)	Euro/Ha	Euro per tree
Almonds (Bajame)	0-1	492,628.0	985.5	4,037.9	8.1
Almonds (Bajame)	2-4	735,732.0	1,471.3	6,030.6	12.1
Almonds (Bajame)	>5	2,784,140.0	5,568.3	22,820.8	45.6
Apple Extensive (Mollë Ekstensive)	0-1	919,949.6	2,299.9	7,540.6	18.9
Apple Extensive (Mollë Ekstensive)	2-5	1,099,374.7	2,748.4	9,011.3	22.5
Apple Extensive (Mollë Ekstensive)	6-9	3,122,928.8	7,807.3	25,597.8	64
Apple Extensive (Mollë Ekstensive)	10-25	6,297,104.1	15,742.8	51,615.6	129
Apple Extensive (Mollë Ekstensive)	>25	5,087,319.3	12,718.3	41,699.3	104.2
Apricot (Kajsi)	0-1	708,554.0	1,771.4	5,807.8	14.5
Apricot (Kajsi)	2-5	954,226.0	2,385.6	7,821.5	19.6
Apricot (Kajsi)	>5	3,298,596.0	8,246.5	27,037.7	67.6

Crops	Age	Compensation Rate			
		ALL/Ha	(ALL per tree)	Euro/Ha	Euro per tree
Cherry (Qershi)	0-1	670,890.0	1,677.2	5,499.1	13.7
Cherry (Qershi)	2-4	1,030,410.0	2,576.0	8,446.0	21.1
Cherry (Qershi)	>5	4,638,450.0	11,596.1	38,020.1	95.1
Hazelnut (Lajthi)	0-1	980,120.0	1,633.5	8,033.8	13.4
Hazelnut (Lajthi)	2-4	1,331,080.0	2,218.5	10,910.5	18.2
Hazelnut (Lajthi)	>5	9,030,800.0	15,051.3	74,023.0	123.4
Mandarin (Mandarinë)	0-1	1,378,160.0	2,297.3	11,296.4	18.8
Mandarin (Mandarinë)	2-4	1,866,080.0	3,110.5	15,295.7	25.5
Mandarin (Mandarinë)	>5	19,405,520.0	32,342.9	159,061.6	265.1
Olive tree (Ullinj)	0-1	677,394.5	3,079.1	5,552.4	25.2
Olive tree (Ullinj)	2-6	2,071,573.5	9,416.2	16,980.1	77.2
Olive tree (Ullinj)	7-10	2,789,304.9	12,678.7	22,863.2	103.9
Olive tree (Ullinj)	11-100	4,572,921.1	26,899.5	37,483.0	220.5
Olive tree (Ullinj)	>100	3,252,716.5	19,133.6	26,661.6	156.8
Orange (Portokall)	0-1	1,209,100.0	2,686.8	9,910.7	22
Orange (Portokall)	2-4	1,697,020.0	3,770.7	13,910.0	30.9

Crops	Age	Compensation Rate			
		ALL/Ha	(ALL per tree)	Euro/Ha	Euro per tree
Orange (Portokall)	>5	13,458,460.0	29,907.6	110,315.2	245.1
Peach (Pjeshkë)	0-1	954,440.0	2,386.1	7,823.3	19.6
Peach (Pjeshkë)	2-3	1,292,560.0	3,231.4	10,594.8	26.5
Peach (Pjeshkë)	4	2,763,810.0	6,910.9	22,654.2	56.6
Peach (Pjeshkë)	5-30	4,119,286.0	10,298.2	33,764.6	84.4
Peach (Pjeshkë)	>30	4,576,176.0	11,440.4	37,509.6	93.8
Pear (Dardhë)	0-1	1,368,316.0	2,280.5	11,215.7	18.7
Pear (Dardhë)	2-4	1,965,804.0	3,276.3	16,113.1	26.9
Pear (Dardhë)	>5	10,199,240.0	16,998.7	83,600.3	139.3
Plum (Kumbull)	0-1	627,020.0	1,567.6	5,139.5	12.8
Plum (Kumbull)	2-4	815,340.0	2,038.4	6,683.1	16.7
Plum (Kumbull)	5-30	3,327,700.0	8,319.3	27,276.2	68.2
Plum (Kumbull)	>30	2,974,600.0	7,436.5	24,382.0	61
Pomegranate (Shegë)	0-1	748,572.0	1,247.6	6,135.8	10.2
Pomegranate (Shegë)	2-4	1,190,268.0	1,983.8	9,756.3	16.3
Pomegranate (Shegë)	>5	4,893,324.0	8,155.5	40,109.2	66.8

Crops	Age	Compensation Rate			
		ALL/Ha	(ALL per tree)	Euro/Ha	Euro per tree
Vineyard (Vreshta)	0-1	1,966,799.1	NA	16,121.3	NA
Vineyard (Vreshta)	2-3	2,214,625.0	NA	18,152.7	NA
Vineyard (Vreshta)	4	3,308,701.1	NA	27,120.5	NA
Vineyard (Vreshta)	5-30	5,778,846.4	NA	47,367.6	NA
Vineyard (Vreshta)	>30	4,581,483.2	NA	37,553.1	NA
Walnut (Arrë)	0-1	991,248.0	3,965.4	8,125.0	32.5
Walnut (Arrë)	2-4	1,064,864.0	4,259.7	8,728.4	34.9
Walnut (Arrë)	>5	4,866,360.0	19,465.4	39,888.2	159.6

Crops	Compensation Rate	
	(ALL per tree)	(Euro per tree)
Acacia (Akacie) <5 years	1498	12.3
Akacia (Acacie) ≥5 years	2354	19.3
Cornel bush (Thanë) ≥5 years	1070	8.8
Cornel bush (Thanë) <5 years	428	3.5
Fig (Fik) ≥ 5 years	3210	26.3
Fig (Fik) <5 years	1712	14
Juniper (Dëllinjë) ≥5 years	749	6.1
Juniper (Dëllinjë) <5 years	535	4.4
Mullberry (Man) <5 years	1284	10.5

Crops	Compensation Rate	
	(ALL per tree)	(Euro per tree)
Mullberry (Man) ≥ 5 years	2675	21.9
Oak (Ash tree) ≥ 5 years	2354	19.3
Oak (Ash tree) <5 years	1498	12.3
Pergola (Pjergulla) 0-5	2929	24
Pergola (Pjergulla) >10 years	18960	155.4
Pergola (Pjergulla) 6-10	11187	91.7
Quince (Ftoj) <5 years	1605	13.2
Quince (Ftoj) ≥ 5 years	3210	26.3
Salix (Shelg) ≥ 5 years	749	6.1
Salix (Shelg) <5 years	214	1.8
Sloe (Kullumbri) ≥ 5 years	1284	10.5
Sloe (Kullumbri) <5 years	588.5	4.8
Wild Apple (Mollcinke) <5 years	642	5.3
Wild Apple (Mollcinke) ≥5 years	1605	13.2
Wild Pears (Gorricë) <5 years	428	3.5
Wild Pears (Gorricë) ≥ 5 years	856	7

Crops	Compensation Rate	
	(ALL/m ²)	(Euro/m ²)
Blackberry (Manaferrë) 0-1 years	216.1	1.8
Blackberry (Manaferrë) 2-3 years	313.5	2.6
Blackberry (Manaferrë) 4-10 years	478.3	3.9
Oregano (Rigon) 0 - 1 years	41.7	0.3
Oregano (Rigon) 2 – 4 years	86.7	0.7
Oregano (Rigon) 5 – 6 years	49.2	0.4

Raspberry (Mjedër) 0-1 years	244	2
Raspberry (Mjedër) 2-3 years	351	2.9
Raspberry (Mjedër) 4-10 years	535	4.4
Sage (Sherbelë) 0 -1 years	41.7	0.3
Sage (Sherbelë) 2 – 4 years	105.9	0.9
Sage (Sherbelë) 5 – 6 years	76	0.6
Strawberry (Luleshtrydhe) 0-1 years	269.6	2.2
Strawberry (Luleshtrydhe) 1-3 years	436.6	3.6

8 THE LAND ACCESS & ACQUISITION PROCESS

Based on the Compensation Framework, and having due regard to national expropriation regulations and international standards and best practice, the following key steps will be followed in the Project land access and acquisition process.

8.1 Preparation of Household Dossiers

The Project will prepare Household Dossiers, based on information collected in the asset (land, farm, and crops surveys) and socio-economic surveys, and the compensation values based on the Compensation Matrix.

The Household dossiers will include the following information for each household:

- Owner & Spouse (or any other representative female member of the household)
- Cadastral survey map
- Map of affected land (for permanent land acquisition);
- Inventory of assets (land, farm, and crops);
- Pre-Project Agronomic assessment;
- Details of compensation offer, in relation to permanent land acquisition and/or temporary land acquisition, or temporary land access, loss of crops/trees, as applicable; and
- Eligibility for specific livelihood programs.

Note that the Household Dossiers will include detailed compensation values for permanent land acquisition, based on the area of land to be acquired. Any compensation for crops will be indicative. Final crop compensation will be calculated as part of the Land Exit & Handback process (see below), when the final impact on crops (based on what was planted at time of construction and extent of impacts) is known.

8.2 Preparation & Presentation of Offers

Details of the compensation offer per household, together with any additional assistance measures, will be presented to the project-affected household in writing.

- Where possible, this will be presented as part of a face-to-face meeting with the

household (household head and spouse), in order to ensure a comprehensive voluntary agreement process (see below) alongside the expropriation procedures to be followed.

- Where a face-to-face meeting is not possible, telephone contact will be attempted.
- Failing this, the offer will be posted to the affected household, including details on next steps.

8.3 Voluntary Agreement Process with Households

During issue of the offer to Households, the process will be fully explained, and there will be an initial opportunity to ask for clarifications on any aspect. Thereafter households will be given a period of **two weeks** to consider the offer, ask for further clarifications, and/or seek legal advice. A dedicated phone line, and the Project Community Liaison Officer (CLO), will be available to respond to queries.

Following the two-week period, a further visit will be made to the household.

- If the household is happy with the offer, it is signed in the presence of a witness.
- If the household is not satisfied, further discussions may be held, and clarifications offered. The household will then be given a further week to consider the offer.

Following further consideration by the household, if they remain unwilling to sign the offer, a Minute of Disagreement will be signed and the negotiation process will be deemed unsuccessful, and expropriation proceedings will be followed.

The Project will make the best efforts for the Offer Letter to be signed by both the Household Head and spouse (or related female representative of the household), ensuring a transparent process within the family unit, and that the spouse or related female representative of the household has played a part in the final decision. Once the PAH has signed the Offer Letter, the project will advise the PAH on the documentation required to prepare for the signing of the contracts for land rental, or transfer of ownership. Local notaries will be selected to assist with signing of contracts, where applicable.

Where the PAH is unable to provide necessary documentation (e.g., ownership documents), the Project will assist with sourcing of ownership documents where available, or assist with the registration process. Where sufficient evidence of ownership is not available, as referred to above, it may be necessary to follow the expropriation procedure.

Based on experience with the Voluntary Agreement Process to date, it is likely that almost all households will be unable to procure sufficient evidence of ownership or supporting documents required for the Voluntary Agreement. Voltaia engaged with households and supported the documentation for voluntary agreement, but after almost two months of engagement, no household managed to ensure the required documentation. As a result expropriation process will be utilized for all land parcels subject to permanent land acquisition. The project will notify those households subject to voluntary agreement processes without sufficient ownership information that they will follow the expropriation process. This is critical in order to avoid delays in receiving permitting for project construction.

8.4 Payment of Compensation

Payment will be made in as timely a manner as possible after an agreement has been signed (Voluntary Agreement or Compensation Agreement for Permanent Land Acquisition, Declaration of Compensation for Temporary Land Access and compensation of crops, and Land Lease Agreement for Temporary Land Acquisition) prior to entry onto the land and construction activities. A construction corridor will be determined at Land Entry, allowing for payment of land rental and

crop compensation prior to construction. In cases where there is any additional or accidental crop damage, this will be paid after Land Exit & Handback. The construction activities are not expected to cause significant impacts on the fruit trees. Therefore, the construction corridor shall not apply for perennial crops, and the compensation shall be made after land exit based on the actual impact on the trees.

Compensation for permanent land acquisition will be paid in one instalment in Albanian Lek into the bank account designated by the project-Affected Household and identified in the compensation agreements. This bank account needs to be a joint bank account, including the spouse or related female representative of the household. In case the beneficiaries do not have a bank account, they will be supported in opening one joint bank account for household head and spouse, or related female member of the household. Where compensation values are not significant (e.g. in the case of land rental in the OHL or crop compensation), and/or the household does not wish to operate a bank account, a cheque may be issued in the name of the household head and spouse, indicating that the cash compensation should be directed to related activities, and that this will be subject to monitoring by the Project.

The landowner will be requested to vacate, or make the land available, one week after payment. After such period, the Project will have the right to enter the land if required.

8.5 Land Entry

As part of the Land Entry Protocol to be followed by the Construction Contractor, the landowner / user will sign a Land Entry Form prior to construction start. This will include details of the landowner and user, a record of the standing crops on the affected area (construction corridor), and any other affected assets which will be compensated at Project rates. The Land Entry Form will be accompanied by photographs. The Form will be signed by the landowner and/or user, the contractor, and Karavasta Solar sh.p.k representative, usually a Community Liaison officer. A copy of the Land Entry Form will be provided to the Landowner / user.

Where landowners and users are only identified for the first-time during Land Entry, a rapid socio-economic household survey will also be undertaken. In case of a conflict in the identification of owners or users, a verification process will be carried out involving witnesses (owners/users of neighbouring plots, village heads, etc.). Any compensation payment due will be held in escrow pending determination of ownerships of land or assets (crops).

In cases of private lands where both users and owners are absent or unidentified, the Land Entry will be signed by the Contractor, Voltalia representative and a possibly a witness. Any compensation payment due will be held in escrow pending the presentation of owner/user of land or assets (crops).

8.6 Land Exit & Handback

As part of the Land Exit Protocol to be followed by the Construction Contractor, the landowner / user will sign a Land Reinstatement & Exit Form. This Form will include a record of the final type and quantity of crops and other assets impacted. Any additional or accidental crop impacts since Land Entry will be compensated at Project rates.

A key objective will be to return the land to pre-project conditions and ensure timely return of the land to the landowner. Land reinstatement will be verified by both Project engineers and the Project agronomist, according to set criteria. Where additional works are required, these will be reported back to the Contractor.

Once reinstatement is complete, the Project will sign the Land Reinstatement & Exit Form with the landowner / user. The Form will be signed by the landowner and/or user, the contractor, and

Voltalia representative, usually a Community Liaison officer. A copy of the Land Reinstatement & Exit Form will be provided to the Landowner / user.

9 QUESTIONS, CONCERNS, GRIEVANCES?

Karavasta undertakes to keep all affected owners and users, as well as neighbouring communities, fully informed on the Project as design is progressed. This includes informing all directly affected households on project timescales, impacts, and any assistance that will be provided, in accordance with Albanian law and international standards.

In the meantime, you can also contact the project at: karavasta@votalia.com or via the hotline +355684027034.

You can also speak to any of the survey supervisors or Karavasta Solar sh.p.k E&S Manager who will be in the area regularly.

If you would like to find out more information about the project and the approach to compensation and livelihood restoration, you can review the Project Livelihood restoration Plan (LRP).

10 WHERE CAN I MAKE A COMPLAINT OR COMMENT?

If you have any issue or concern you wish to raise at any stage, you can submit a grievance by completing the grievance form provided by the project or through:

- Email: karavasta@votalia.com
- Hotline number 355684027034
- Through any Voltalia or survey staff

Further Information

For more information, please visit our website: [\[https://karavastasolar.com/\]](https://karavastasolar.com/)

Glossary of Terms

Compensation: Payment in cash or in kind for an asset or a resource that is acquired or affected by a project at the time the asset needs to be replaced.

Construction Land: Refers to urban land which is permitted and used for urban development (Formal urban land), or land which is not permitted but has established urban uses (informal urban land). For the purpose of this LRP, Construction Land is only considered the building plot which is categorized as “truall” (Eng: Building Plot) in the ownership certificate of the land parcel. This is used interchangeably with urban land.

Easement: An easement is a non-possessory right over the land to use and/or enter onto the real property of another without possessing it. In this Project, easement restrictions will be caused due to the OHL Right of Way.

Full Replacement Cost: The market value of assets plus transaction costs, where depreciation of structures and assets is not taken into account.

Land reinstatement: is the restoration of land to the former landscaped environment (pre-project conditions) following construction.

Livelihood: A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stress and shocks and maintain or enhance its capabilities and assets both now and in the future, while not undermining the natural resource base.

Livelihood Programs: Programs intended to restore or improve economic security for Project-Affected People through provision of economic assistance, including, but not limited to, activities such as training and advice on agricultural production.

Orphan Land: Areas of land within a parcel of land that are not directly the subject of land acquisition (either temporary or permanent), but which become uneconomical due to the remaining size or shape of the land.

Overhead Line (OHL): Wire or cable suspended between poles used to distribute power.

Replacement Cost: The rate of compensation for lost assets must be calculated at full replacement cost, that is, the market value of the assets plus transaction costs.

Right of Way: Legal right for a public project (in this case, energy) to pass along a specific route through grounds or property belonging to private individuals.

Urban Land: Refers to land which is permitted and used for urban development (Formal urban land), or land which is not permitted but has established urban uses (informal urban land). Urban land is now more commonly termed Construction Land, which distinguishes it from agricultural and forest lands.

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

Wayleave: A type of Easement utilized by utilities that provides access to property for construction and maintenance.