



RP1344

**Republic of Albania
Ministry of Agriculture Food and
Consumer Protection**

**Water Resources and Irrigation Project
Project ID P121186**

**Consultancy Services:
Environmental and Social Impact Assessment,
Resettlement Policy and Baseline Surveys**



Photo: Koshnica A Reservoir and Village

RESETTLEMENT POLICY FRAMEWORK - DRAFT
June 2012



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ACRONYMS AND ABBREVIATIONS

ALL	Albanian Lek
ALUIZNI	Agency for Legalization and Integration of Informal Properties
BP	World Bank Procedure
BWA	Basin Water Agency
BWC	Basin Water Council
CEIA	Centre for Environmental Impact Assessment
DCM	Decision of the Council of Ministers
DSDC	Department of Strategy of Donor Coordination
EA	Environmental Assessment
EIA	Environmental Impact Assessment
EFD	Environmental Framework Document
EMP	Environmental Management Plan
ESFD	Environmental and Social Framework Document
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
EU	European Union
GoA	Government of Albania
Ha	Hectare
HH	Household
IDA	International Development Administration
INSTAT	Albania Institute for Statistics
IWRM	Integrated Water Resources Management
LGU	Local Government Unit



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ACRONYMS AND ABBREVIATIONS

MAFCP	Ministry of Agriculture, Food Security and Consumer Protection
MEFWA	Ministry of Environment, Forestry and Water Administration
Mm ³	Million cubic metres
MPWTT	Ministry of Public Works, Transport and Telecommunications
NGO	Non-Governmental Organization
NSDI	National Strategy for Development and Integration
NWC	National Water Council
OD	World Bank Operational Directive
OP	World Bank Operational Policy
PIM	Project Implementation Manual
PIU	Project Implementation Unit
PPO	Private Property Owner
RAPs	Resettlement Action Plans
RPF	Resettlement Policy Framework
SAR	Sodium Adsorption Ratio
SIA	Social Impact Assessment
TDS	Total Dissolved Solids
TS	Technical Secretariat
USD	United States Dollar
WB	The World Bank
WFD	EU Water Framework Directive
WRIP	Water Resources and Irrigation Project
WUA(O)	Water User Association (Organisation)
ZRRP	Real Estate Registration Office
%	Percent
#	No

1 INTRODUCTION

1.1 Project Background

The proposed Water Resources and Irrigation Project (WRIP), is financed by the World Bank (WB) and responds to requests from the Ministry of Agriculture, Food and Consumer Protection (MAFCP) and Department of Strategy of Donor Coordination (DSDC), and integrates strategic support for IWRM, to be implemented by the Ministry of Environment, Forestry and Water Administration (MEFWA), and institutional support and investments in the rehabilitation of reservoirs and associated irrigation and drainage infrastructure, to be implemented by MAFCP.

The principle development objective for the WRIP is to increase the area under improved irrigation and drainage, to improve the safety of dams and to establish the institutional basis for improved IWRM in two priority river basins, namely the Drini-Buna and Seman.

A Feasibility Study (FS) has been prepared by Consultants - Mott MacDonald which provides information on the existing status of the 14 dams and associated irrigation systems, which represent the first phase of WRIP. Various options are provided by Mot MacDonald for rehabilitation with a preferential option given in each case. The FS advocates that further detailed design work needs to be undertaken including geotechnical investigations before a final decision on how each dam will be rehabilitated.

Consultancy firms COWI and CEIA have been awarded the contract to undertake environmental and social impact assessment (ESIA) for the various dam sites only. The irrigated systems and the pipelines/channels to carry the water are not part of the work at this stage. The specific objective of the current assignment for the ESIA Consultant is to undertake necessary tasks to prepare:

- An ESFD, a generic ESMP, 13 site-specific ESMPs (dams of Strum and Kurjan share the same reservoir) and SIAs to effectively integrate environmental quality objectives and social impacts into the proposed WRIP and to ensure that environmentally and socially - related measures are incorporated in the project implementation mechanisms (PIM), to prevent, minimize and mitigate possible negative environmental and social impacts.
- A RPF and specific RAPs for rehabilitation projects identified and baseline studies of irrigated perimeters.

The deliverables mentioned in the preceding bulleted paragraph are required in order to ensure implementation of the project is consistent with the applicable WB and GoA environmental and social safeguards policies. This will include preparation of 13 site-specific ESMPs and Social Impact Assessment Reports for sub-projects that will be executed during the first year of project implementation. In addition there will be need to prepare a Resettlement Policy Framework (RPF) and specific Resettlement Action Plans (RAPs) for the initial first year's dam rehabilitation projects and to carry out baseline studies of irrigated perimeters served by each dam. This report focuses on the RPF, and assesses the need for RAP at the 14 dam sites that will be rehabilitated during Year 1 of the WRIP.

1.2 Project Components

The WRIP comprise the following components:

1. **Systems Rehabilitation** implemented by the MAFCP with an aim to improve irrigation water delivery and address dam safety through rehabilitation of hydraulic infrastructure, including irrigation

schemes, drainage facilities and irrigation reservoirs. The component will finance two sub-components: i) reservoir, irrigation and drainage rehabilitation and ii) pipeline preparation.

2. **Institutional and Productive Support for Irrigation and Drainage** implemented by MAFCP with an aim to improve the performance of organizations that provide irrigation services, including institutional reforms and capacity strengthening of Local Government Units (LGUs), Water User Associations/Organisations (WUA/Os) and Drainage Boards (DBs). The component would also finance preparation of an irrigation policy and strategy.
3. **Institutional Support for Integrated Water Resources Management** will be implemented by MEFWA with an aim to improve the performance of institutions responsible for integrated water resources management (IWRM), including the National Water Council (NWC) and its Technical Secretariat (TS), and selected River Basin Water Councils (BWCs) and Basin Water Agencies (BWAs).
4. **Implementation Support** will be implemented by MAFCP and MEFWA with an aim to manage project resources in accordance with the project's objectives and procedures as outlined in the PIM.

1.3 The Project Area

1.3.1 Location

The project consists on rehabilitation and revitalization of 13 agricultural reservoirs (two dams –Kurjan and Strum share the same reservoir of Murriz Thana), located at Northern part of Central Mountain Region, Southern Part of Central Mountain Region, on Intermediary Zone of Adriatic Pre Lowland Region, on the Intermediary Zone of Hilly Central Region, and on the Intermediary zone between Hilly Central Region and Southern Mountain Region.

All reservoirs were built during the so called “Central Economy period” for irrigation purposes. Most of such reservoirs were and still are used also for fishing. Because of the fairly long period of their existence; some of the reservoirs are more than 50 years old; these water bodies are considered almost “natural” in character. Notwithstanding, the reservoir biodiversity is actually not that natural, and in the past several fish species were introduced to control eutrophication (by fish grazing the water plants) and to be used as source of food.

The location of the dams and reservoirs under review are shown on the satellite image in Figure 1-1 below. Essentially there are three groupings of dams:

- Group 1 focused around Kukes and Tropoja comprising #7, #8, #9 and # 12
- Group 2 focused around Korca comprising #4 and # 10; and
- Group 3 focused around Fier and Berat comprising #1, #2, #3, #5, #6, #11 #13 and #14.

The numbers on the Figure 1-1 can be cross referenced with the list of reservoir and dam names shown in Table 1-1 below. It can be seen that the sites are widely dispersed within the two river basins of Drini-Buna in the north; and the Seman with the sub basins of the Devoll and Osum rivers upstream, in the south central region of Albania.





Source: Google Earth ©

Figure 1-1: Location of the Project Area

1.3.2 Key Dam and Reservoir Information

Key information on the dams and reservoirs is shown in Table 1-1 below.



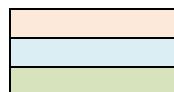
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Table 1-1: Details on the Location and Statistics of Dams

Nr.	Dam	Latitude	Longitude	Town Nearby	Proposed Irrigated Area Hectares	Total Storage Mm ³	Dam Height m	Dam length m	Population Affected
1	Muriz Thana Dam	19° 50' 06" E	40° 51' 21" N	Lushnje	42,000	66.00	17	3570	210
2	Kurjan Dam	19° 43' 31" E	40° 43' 19" N	Fier	6500	31.5	17	540	350
3	Strumi Dam	19° 43' 36" E	40° 44' 19" N	Fier	6500	NA	17	700	80
4	Leminoti Dam	20° 41' 33" E	40° 47' 51" N	Korça	400	1.20	33	180	1300
5	Duhanas Dam	20° 00' 44" E	40° 44' 26" N	Berat	200	1.90	39	235	420
6	Belesova Dam	20° 02' 45" E	40° 48' 59" N	Berat	912	1.40	42	304	200
7	Tregtan 2 Dam	20° 20' 25" E	42° 08' 15" N	Kukes	17	0.06	10	254	30
8	Tregtan 3 Dam	20° 20' 10" E	42° 08' 37" N	Kukes	315	0.95	32	137	30
9	Vranisht 2 Dam	20° 22' 28" E	42° 09' 36" N	Kukes	217	0.65	27	158	60
10	Koshnica 1 Dam	20° 55' 38" E	40° 32' 01" N	Bilisht	800	2.35	31	300	10
11	Staravecke Dam	20° 24' 13" E	40° 28' 43" N	Skrapar	60	0.15	30	170	50
12	T'Pla Dam	20° 03' 49" E	42° 16' 11" N	B. Curri	600	1.80	25	360	15
13	Zharrëz Dam	19° 40' 13" E	40° 42' 06" N	Fier	600	1.90	22	520	390
14	Slanica	19° 48' 39" E	40° 44' 33" N	Berat	230	0.80	32	250	75
	Total				51,851	104.65			3220

Source: Adapted from Mott MacDonald Feasibility Study



- Group 1 Dams
- Group 2 Dams
- Group 3 Dams

The reservoirs are located close to inhabited sites, most of them close to villages, and some close to the cities. The regions/prefectures of Korça, Berat and Fier (9 of the reservoirs are situated in these three prefectures), are some of the most important municipalities of Albania.

Agriculture remains the most important economic output for those municipalities. The others, are situated in Skrapare and Kukes (and close to Bajram Curri) municipalities, and represent a very important instrument for agriculture development.

The agricultural industry of Albania was fundamentally changed at the beginning of the 1990's. In the 1980s towards the end of the Hoxha regime approximately 700,000 hectares of agriculture land existed and 52% of this was irrigated (Volgi 2012). The industry comprised of large state or co-operative farms and by 1983 when the collectivisation process was largely complete the average farm size was 1320ha (Halcrow, 2001).

In the beginning of the 1990, the Democratic Parliament approved the new law of "The Land", when the land was separated between peoples that worked on it, or administrated it regardless of whether they had inherited it from their forebears.

More recently, the Law of "The Land" has undergone revision and improvement with the introduction of new by-laws made by decisions from the council of ministers (DCMs) who are trying to give legal right of ownership of agricultural land to those that have inherited it, but this policy has not been fully implemented till the present day. Most farms now typically comprise of three non contiguous blocks of land, such that most farms can be considered smallholder and part time affairs. These smallholdings are now of



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average size of 1.11ha (MAFCP, 2010), with the total amount of agricultural land now being approximately the same as the pre-1990 figures at 695,000 ha. However in 2010, only 29.4% of this land was irrigated (MAFCP 2010), primarily due to breakdown of ageing system, no rehabilitation and no maintenance.

1.4 Objectives and Principles of Resettlement Policy Framework

The objective of the RPF is to ensure that each of the rehabilitation sites conform to the World Bank Operational Policy on Involuntary Resettlement (WB OP 4.12) and relevant Albanian legislation. Moreover, the RPF will guide the preparation of Resettlement Action Plans (RAP) that will ensure that, in the event of any future resettlement issues, all persons affected by the work will be compensated at replacement cost at full market value for their losses, and provided with the necessary rehabilitation measures so that they are at least as well off as they would have been in the absence of the Project.

The enduring principle is that involuntary resettlement should be avoided wherever feasible, or minimised, by exploring all viable alternatives in project design¹. If unavoidable, resettlement activities should be conceived and executed with sustainable development in mind, providing sufficient resources to enable the person displaced by the project are able to share in its benefits. Furthermore, displaced persons should be meaningfully consulted and should be involved in the planning and implementation of their own resettlement; and be assisted in their efforts to improve their livelihoods and standards of living; or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to project commencement, whichever is higher.

1.5 Objectives and Process for Resettlement Action Plans

1.5.1 RAP Objectives

The RAP is designed to comply with international best practices for involuntary resettlement. The main goal of the RAP is to ensure that the World Bank guidelines and procedures are adhered to in the management any adverse impacts that might occur to ensure that project-affected persons (PAPs) living within the surroundings of the 14 dams sites and the 13 reservoirs will not be adversely affected due to and permanent or temporary land acquisition needs of the Project.

The RAP ensures that any losses are addressed and that, as necessary PAPs are assisted to restore their living standards and income. Therefore, RAP findings suggest that the affected people will not be worse off than they were before the project, especially when considering the current status of women, vulnerable groups, disabled and children who are usually the most affected in such situations.

Consequently the main objectives of the RAP if it is needed on this Project are:

- To generate baseline data that will be needed to determine necessary entitlements for mitigation of land acquisition and related project impacts and to facilitate implementation monitoring and closure of the RAP.
- To recommend appropriate measures to mitigate the expected impacts.
- To identify and quantify different categories of PAP who would require some form of assistance, compensation, rehabilitation or relocation.
- To verify the adherence and compliance with the World Bank Safeguard policy on Involuntary Resettlement (OP 4.12).

¹ World Bank Operational Policy on Involuntary Resettlement (WB OP 4.12); January 2002, p.1

1.5.2 RAP Process

According to OP 4.12, all projects that entail resettlement require a RAP. However, the scope and level of detail of the RAP vary with the magnitude and complexity of resettlement. A full RAP is only required when there are more than 200 persons affected or when the land takes more than 10% of an individual land holding or when a physical relocation of population is required. Anything below these thresholds and an Abbreviated RAP is required. If there is no loss of assets or incomes or displacement then no RAP is required. The following provides details on this categorisation process.

Table 1-2: Categorisation of RAP Requirements

Category	No. of Affected People	Resettlement Impact	Planning Requirement
A	200 or more people experience major impacts, defined as: <ul style="list-style-type: none">• Physical displacement and/or• Loss of 10 % or more of their productive assets	Significant	Full RAP
B	Less than 200 people experience major impacts	Minor	Abbreviated RAP
C	No loss of assets and incomes or displacement	None	No RAP

None of the 14 sub projects under study are anticipated to require a full RAP. The rehabilitation works intended will take place upon the footprint of the existing dam and reservoir. Access roads will be upgraded along existing routes. Hence full RAP is unlikely to be needed. There may be some disturbance to some of the land along the reservoir edge, particularly on the site where the crest is being raised by between 0.3 and 0.5 metres so an abbreviated RAP could be required in those areas. RAPs will document in detail the implementation arrangements for resettlement (not necessary on this project), including asset acquisition, compensation, relocation and rehabilitation. A census and inventory of assets, livelihoods and losses of all PAPs will be prepared.

Each completed RAP will be submitted to MAFCP and WB to obtain approval prior to commencement of the works. After approval has been obtained, compensation, resettlement (not necessary) and rehabilitation activities will be initiated, and will be completed before awarding contracts of civil works under each of the sub projects.

The following are the steps in the RAP Process:

1. The ESIA Consultant for the Project provides an initial and documented description of the existing baseline situation, in particular related – but not limited – to resettlement, land required for the sub component (either permanent or temporary), and identification and mapping of landownership in the affected area.
2. Once completed, this documentation is reviewed by the MAFCP and the WB as needed. Potential impacts are identified and followed up by the ESIA Consultant and, when necessary, by MAFCP through visits to those sites where impacts are expected.
3. Site visits include (i) initial discussions with local authorities; (ii) verifying information provided by the ESIA Consultant; and if required or warranted, (iii) obtaining additional information on the scale and magnitude of the potential impacts;
4. If there is any of the 14 dam or 13 reservoir sites that include potential resettlement or resettlement effects, then this is subsequently scheduled for an intensive sensitisation and consultation process to involve the potentially impacted communities.
5. The consultation process is properly documented and the outcome presented to the MAFCP for further processing and eventual approval to proceed (or otherwise) with the specific dam rehabilitation works.
6. If approval to go ahead is obtained and a cut-off date for eligibility declared, PAPs and the local au-



- thorities are informed about the impending compensation and resettlement;
7. Subsequently, a PAP census survey – as an integral part of RAP preparation – is undertaken and combined with preparing the inventory of losses to limit the inconvenience for the PAPs and speed up the process of RAP preparation. If required, a baseline survey is simultaneously undertaken..
 8. Once the results of the survey instruments are compiled and completed, a decision is made whether a RAP (abbreviated or full, as applicable) for that sub project needs to be drafted by ESIA Consultant.
 9. If RAPs are required, then they will need to follow a specific outline and be in sufficient detail so that the RAPs can be in conformity with this RPF. Details of the contents of the Full RAP and Abbreviated RAP are contained in Annex 1.

1.6 Layout of the Resettlement Policy Framework

RPF has been prepared in line with the requirements of the Contract and is structured as follows:

- Chapter 1 provides an introduction to the assignment, describing the background, project area, objectives of the RPF and the RAP objectives and RAP Process and rational for the project assignment,
- Chapter 2 describes the legal framework and expropriation procedures and shows the gaps between GoA legislation and WB Policy.
- Chapter 3 describes the resettlement measures, the PAPs and mitigation measures that are proposed.
- Chapter 4 describes the calculation of valuation and compensation.
- Chapter 5 provides proposed community participation and grievance procedures, and
- Chapter 6 provides conclusions.
- Annexes including in the report are:
 - Annex 1: Proposed Formats for RAP and Abbreviated RAP
 - Annex 2: Provisional Entitlement and Compensation Matrix
 - Annex 3: Checklist and Data Requirements for Census
 - Annex 4: List of Data for Inventory of Losses
 - Annex 5: Data for Baseline Survey



2 INSTITUTIONAL AND LEGAL FRAMEWORK

2.1 Institutional Framework

Several institutions, each with different roles and responsibilities, are responsible for adhering to the principles and objectives of the RPF while developing and implementing subsequent RAPs. Most, if not all, institutions that play a role in resettlement and resettlement issues associated with the implementation of the Project are listed below in Table 2-1.

Table 2-1: Key Resettlement Activities and Responsibilities

RESETTLEMENT ACTIVITY	RESPONSIBLE INSTITUTION
Assessment of Impacts and Inventory of Losses	MAFCP jointly with Local Government (municipality/communes)
Census of Affected persons and affected assets	MAFCP jointly with Local Government (municipality/communes)
Consultations with Affected persons	MAFCP jointly with Local Government (municipality/communes)
Valuation of Assets	MAFCP and certified independent valuation experts
Preparation of Resettlement Plan	MAFCP (consultant) with Beneficiary Municipality
Payment of Compensation and Relocation Assistance	Council of Ministers and Ministry of Finance Local Government (municipality/communes)
Expropriation of land and assets	Council of Ministers
Assistance (non-compensation) to affected persons	MAFCP jointly with Local Government
Grievances (receiving and acting upon)	MAFCP
Monitoring and Evaluation	MAFCP

MAFCP will bear overall responsibility for oversight and monitoring of all activities under this RPF. They will guide, supervise and report on progress in the sub projects and will handle resettlement and compensation issues requiring action and coordination at the central government level. Consequently MAFCP will also have overall control and management of the resettlement budget.

Other agencies that MAFCP will associate and coordinate with in the context of resettlement issues include, but may not be limited to the following:

- Municipalities or Communes that are the direct beneficiaries of the reservoir rehabilitation projects have an important role to play. The scope and specific activities to be played by communes/ municipalities are specified in law and additional requirements may be determined on a case-by-case basis. Municipal authorities need to familiarize themselves with the contents of this Policy Framework. MAFCP will require the active participation of Local Government (Municipalities, Communes) in consultation and appropriate assistance to affected parties as a condition of participation in the WRIP.
- The Immovable Property Registration Office for each District which is under the authority of the Central Registration Office is responsible for identifying and verifying property boundaries and ownership and other real rights such as leases and concessions. Land Administration and Protection Offices (formerly Cadastre Offices) will clarify land allotment certificates (*Tapis*) for agricultural land that has not been formally registered and transferred to the Immovable Property Registration Offices.

However, as mentioned above the ultimate responsibility for the implementation and enforcement of the Land Acquisition & Resettlement Policy Framework rests with the MAFCP. The key activities and re-

sponsible actors in the planning and implementation of specific land acquisition and resettlement plans are outlined in the table below

2.2 Legal Framework

2.2.1 Background and Principles

One of the first tasks of the RPF is to assess legal needs for dealing with the issues considered necessary to solve from communicating with the stakeholders and PAPs. . Steps for the development of the framework include undertaking a literature review on legal needs that will be required from the projects as well as well as a review of the expressed needs from the stakeholders and PAPs. The outcome of this work will be a draft Legal Framework.

The methodology followed in the case of expropriation is based on national legislation and on the best international practice. Firstly, the Consultant has informed the PAPs about the project implementation and impacts, and received feedback from them, so as to choose the best alternative to minimize the negative effect of the project in their livelihood. Secondly, the authority concerned with the expropriation (MAFCP) will negotiate with the PAPs for an agreement. If some of the PAPs do not agree then the project will proceed with unilateral/independent expropriation.

In the case of permanent land expropriation; which may occur in some reservoirs where the dam crest level has been raised 0.3-0-5 metres; the prices of permanent expropriations for specific regions are specified with a map approved by a decision of the Council of Ministers. It is important that the land values are current market prices; real estate agents should be consulted on actual land prices in the area, these prices should be actual amounts paid, not reduced amounts used to reduce taxes on land sales. Essential that the values are objectively established; use of a zonal map can only be done if the values correspond to actual current values for land sales. The Consultant has also asked PAPs what they think the value of their land will be if they will sell it today.

In the case of temporary expropriations that may be necessary for temporary use of land during construction (access roads or repository areas). The expropriation prices are paid to the owner on a monthly basis for as long as the land is occupied. The price varies upon the type of land functionality. The price references are taken from the Agricultural Directorate of the Region where the project is located.

In the case of payment for damage, compensation is given to the land owner for any agricultural damage caused during construction activities. The reference prices are also taken from the Agricultural Directorate of the Region.

2.2.2 Main Legal Statutes

In the Republic of Albania the legal framework for expropriation of land and resettlement issues mainly consist of the following legal acts:

- The Constitution of the Republic of Albania.
- Law No. 8561 dated 22. 12. 1999 "*On Expropriations and Temporary Takings of the Private Property for Public Interest*"
- Law No. 9235, dated 29.7.2004 "*On restitution and compensation of private properties*"
- Law No. 9482, dated 3.4.2006 "*On legalization, urbanization and integration of informal properties*"
- The Council of Ministers Decision No. 138 dated 23. 3. 2000 provides the legal criteria for the evaluation of properties affected by expropriation.
- Council of Ministers Decision No.438, dated 28.6.2006 "*On the criteria, procedures and required documentation that determine legalization of informal properties*"

The Constitution of Republic of Albania

Article 41 clause 4 of the Albanian Constitution states: “*The expropriations or limitations of a property right that are equivalent to expropriation are permitted only against fair compensation*” Furthermore, on the European Convention on Human Rights, Article 1 “Right to property” of the Protocol 1: “*Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided by the law and by the general principles of international law...*”

Law 8561

Law no. 8561 provides the entire process on how an expropriation procedure begins, for which reason, from which subject and the right of the owners to contest the evaluation of the property made unilaterally from the state institutions. Notwithstanding, an international agreement ratified by law has precedence over a common law (refer to Article 116 of the Albanian Constitution). Furthermore, if a law creates a conflict with an international agreement ratified by law, the international agreement will take precedence. It is assumed that this principle acts as a guarantee between the Albanian Government and the WB, and it will take priority over the legislation in force, especially in front of the mentioned law 8561 “*On expropriation....*”.

The principles provided by law 8561 “*On expropriation....*” can be as follows:

- The project aims public interest, since it is ***an investment on water and agricultural sector;*** (Art. 8/c of Law “*On Expropriation...*”);
- The beneficiary subject in the expropriation process will be ***the various communes in the sub project areas*** (refer Art. 9 of the Law “*On Expropriation...*”)
- A list of necessary documents needs to be submitted to the line Ministry in this case is the MAFCP (refer Art. 10 and 11, of Law 8561);
- The line Ministry has to follow the legal procedure, on publishing the request for expropriation, collecting the complaints of the affected owners, and preparing the draft of the sub legal act for the Council of Ministers;
- The procedure will be considered complete, when the owners through a statement approve the transaction of the property in favour of the State;
- The decision for the expropriation (for the owners that do not agree with the expropriation) will be approved by the Council of Ministers and will enter into force immediately, also it will be published in the Official Journal/Gazette;
- The affected owners have the right of complaint to the Court for compensation and if they don’t follow this procedure, the decision of the Council of Ministers will be an executive title. Almost the same procedure “*mutatis mutandis*”, will also be followed for:
 - ***1- The devaluation of property; (Art 18, of the Law 8561 “On Expropriation....”)***
 - ***2- The provisional taken on possession of the property; (Art. 27-37 of the Law 8561 “On Expropriation....”)***

The devaluation of property: During any construction for public interest it might happen that some properties may not be taken from the owner, but at the same time the owner will not be able to enjoy the property as he did earlier and thus he has the right to be compensated for the devaluation of his property. This institution is not applied so often in practice, but it is provided for in the law, if owners are affected in this manner during the project implementation.

• ***The provisional taking on possession of the property:*** During construction it might happen that certain properties are needed to be taken into possession for temporary use. The request to take on provisional possession a property needs to be addressed to the line Ministry (i.e. MAFCP), describing the property, the reason, the term and the compensation for the owner. The owner has the right to raise a complaint to the court against such decision.



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2.2.3 Legal Criteria on the Evaluation of Properties

The Council of Ministers Decision No. 138 dated 23. 3. 2000 provides the legal criteria for the evaluation of properties affected by expropriation as follows:

- **Land:** The estimation of expropriated land shall be determined for urban lands, lands within the yellow line town and commune properties according to the prices approved by Council of Ministers Decision deriving from Law No. 9235, dated 29.7.2004 “On restitution and compensation of private properties” (See the price map).
- **Residential properties:** Value of expropriation compensation for **residential properties** is considered the average sales price according to the records of the Real Estate Registration Office (ZRPP)².
- **Industrial and Agricultural properties:** The value of expropriation compensation for industrial and agricultural properties is considered the average sales price according to the records of the MPWTT and MAFCP. Depreciation of property must be subtracted from the price.
- **Agricultural land, forested areas, etc:** The estimate value of agricultural lands, forested areas, pastures and grasslands is determined from the prices approved by Council of Ministers Decision complementary to the Law No. 9235, dated 29. 7. 2004 “*On restitution and compensation of private properties*”. In cases where there are no prices approved for certain regions, the evaluation for agricultural lands, forested areas, pastures and grasslands is determined by the average sales price available at ZRPP.
- **Fruit trees:** For fruit trees the estimated value is calculated considering costs of investment and expenses. This value is calculated per unit (number of fruit trees) or unit per land surface (m² of vineyard, nursery etc). The investment present in the land, the total expenses and different amortization factors are foreseen by special MAFCP directives.
- **Crops:** For crops the estimated value is calculated based on the expected yield and market unit price.
- **Illegal constructions:** For investments on national highways the owners of properties, who are not registered at the ZRPP (i.e. without a title), are also expropriated. The entity, which initiates the expropriation has the right to complete the procedure if: the owners of the property have started an administrative process at the Agency for Legalization and Integration of Informal Properties (ALUIZNI) according to Law Nr. 9482, dated 3.4.2006 "*On legalization, urbanization and integration of informal properties*"; or in case the illegal building (or additional works on the existing building) have been previously declared and have been qualified later for legalization permit from ALUIZNI, based on the criteria set in the Council of Ministers Decision No.438, dated 28.6.2006 "*On the criteria, procedures and required documentation that determine legalization of informal properties*"; in case when the owners of the property are in the process of taking a legalization permit, etc.

2.2.4 Identification and classification of affected population groups

Identification of the affected target group is conducted first on the basis of set criteria on residency; i.e. if the target group (households, businesses etc) are resident in the project areas or if they are non-resident and hence not directly affected by the project implementation. Therefore, upon identification of the affected area from the project implementation there are two different target groups:

- a) Permanently affected persons; and
- b) Temporarily affected persons.

The next stage is to identify the different categories of people affected by the project, as a basis for

- Establishing the terms of their eligibility for support, and
- Better specifying the terms of assistance.

² Albanian name is Zyra e Regjistrimit të Pasurive të Paluajtshme

Following site visits and contacts with local authorities (municipalities and communes) a classification of affected groups can be provided as shown in Table 2-2 below.

Table 2-2: Classification and Definition of Affected Groups

Classification of Affected Persons	Definition
Private Property Owners (PPO)	Those who have legal title to land, structure and other assets.
Unlawful resident	Those who have illegally (informal settlements) occupied municipality/ commune lands for residential, business or other purposes.
Encroachers	Those who have extended their building, agricultural lands, business premises or work places into municipality/commune lands.
Tenants	Those persons having tenancy agreements, written or unwritten, with a PPO with clear property titles, to occupy a structure or land for residence, business or other purposes
Project-Affected Families	Each adult displaced person, his/her spouse, minor children and other dependents who habitually reside in one household.
Project-Affected Persons (PAP)	Persons who have economic interests or residence within the project impact area and who may be adversely affected directly by the project. PAP include those displaced, those losing commercial or residential structures in whole or part, those losing agricultural land or homesteads in whole or part, and those losing income sources as a result of project action.
Project Affected Groups:	Are groups or communities outside the immediate impact of water supply system to be established, that may be affected by the project with a focus on the more vulnerable or weaker groups in society.
HH living above the Poverty Line	Based on social assistance schemes acquired at the Regional Department of Social Insurances
Vulnerable groups:	Those groups such as women-headed households, handicapped/disabled and landless families, who will be dealt with on a case to case basis.

2.2.5 Expropriation Procedure

The following Table 2-3 provides a brief resume of the five steps in the expropriation procedure to apply.

Table 2-3: Expropriation Procedure

Steps	Responsible Institution	Description	Comments
1	MAFCP	Request for expropriation for public interest	Fulfilment of criteria provided under the law, especially the necessary documents that prove the expropriation needs.
2	MAFCP	Commission for expropriation at MAFCP has to examine the expropriation request and documents; <ul style="list-style-type: none"> • If the legal criteria are fulfilled the MAFCP starts the expropriation procedures; • If not, the request will be rejected; 	
3	MAFCP	Agreement with the other stakeholders (communes, WUAs) about expropriation; <ul style="list-style-type: none"> • Publication of the notice for the expropriation; • Examine the suggestions and the complaints of persons affected by the process; • Prepare the draft decision for the Council of Ministers. 	Important: the fair evaluation of the properties; <ul style="list-style-type: none"> • The procedure must be followed carefully and respecting the right of the third persons to prevent the complaint to the Court; • The expropriation will not be done for the persons that will accept with free will to be compensated with the conditions published.



Steps	Responsible Institution	Description	Comments
4	Council of Ministers	Approve the decision of the expropriation for public interest; OR Reject the proposal to MAFCP with the suggestion to review, if it is not in conformity with the law;	
5	MAFCP	Pay the compensation to persons affected by the expropriation, before the civil works begin.	

2.2.6 Gaps between Albanian Laws and World Bank (IFC) Policies

The following Table 2-4 provides a comparison of the Albanian laws and the WB policy regarding compensation.

Table 2-4: Comparison of Local Laws and World Bank Policy

Category	National Legislation	World Bank Policy	Recommendations To Bridge Gaps
A. Loss of Land <i>Families, households</i>	Compensation with the price defined before for urban land and agriculture Land	Compensation at full replacement cost: <ul style="list-style-type: none"> • For agriculture land pre-project or pre-displacement (whichever is higher), market value of land of equal productive potential within the same vicinity. • For urban land, pre-displacement market value of land of equal size and use, with similar facilities and sources within the same vicinity. • Replacement land of equivalent productive potential. 	
A. Loss of Land <i>Non –title holder</i>	No compensation provided	<ul style="list-style-type: none"> • Resettlement assistance in lieu of compensation for land occupied (land, cash, and other assets, employment) to at least restore their livelihoods and standards of living to pre-displacement levels. 	<ul style="list-style-type: none"> • Resettlement assistance to those most vulnerable to restore pre-displacement level livelihoods. Vulnerable groups may include but not be limited to: poor or landless, women headed households, disabled and elderly. • Encroachers will not be entitled to any compensation for their affected unauthorized/illegal extensions over public land. • Encroachers with economic losses are entitled to assistance for livelihood restoration.
B. Loss of Homes, Structures <i>Families, households, Structure owners</i>	<ul style="list-style-type: none"> • Compensation at the prices referred by the ZRRP • Compensation for the structure without title with the condition to have applied before for legalization at ALUIZNI 	<ul style="list-style-type: none"> • Compensation at full replacement cost. • For houses and structures the market cost of the materials and labour to build a replacement structure of a similar quality or better than the affected structure. 	



Category	National Legislation	World Bank Policy	Recommendations To Bridge Gaps
C. Loss of Economic Assets <i>Families, households</i>	Compensation with the cost method of evaluation of object.	Compensation at full replacement cost	
D. Loss of Income	No provisions	Measure to assist affected people in improving their former living standards, income earning capacity, and production levels, or at least restoring them	<ul style="list-style-type: none"> Follow OP 4.12. Rehabilitation assistance for lost or diminished livelihoods. In the case of landless families who suffer partial or total loss of livelihood, provide income generating options and support mechanisms.
E. Loss of Community Resources	Compensation by the Government with market value.	Measures to assist impacted communities to re-establish or re-develop lost community resources.	<ul style="list-style-type: none"> Compensation for re-establishing or reconstructing lost community resources such as religious and cultural structures, irrigation structures. Restore partially affected structures.
F. Consultations	The EIA Act features some consultative activities to be carried out with impacted populations.	Systems for comprehensive consultations, full documentation and grievance redressed mechanisms to be in place.	Comprehensive consultations with full documentation and grievance redress mechanisms to be in place.

In principle, Albanian laws and regulations relevant to land acquisition, resettlement, loss of housing and loss of assets and those related to WB OP 4.12 adhere to the objective of compensation for affected families or persons and also to the objective of rehabilitation. However, Albanian laws are unclear on how rehabilitation is to be achieved and in practice the provision of rehabilitation is left to ad hoc arrangements taken by the local governments and the specific project proponents. Another and rather major difference between the GoA laws and the WB is that OP 4.12 recognises titled and non-titled owners as well as registered and unregistered tenants, i.e. lack of legal title is no bar to compensation and rehabilitation, whereas the GoA does not allow compensation for non title holders.

To clarify these issues and reconcile eventual gaps between the Albanian laws and regulations and those of OP 4.12, this RPF recommends compensation at full replacement cost of all items, including the rehabilitation of informal/non-titled settlers, and rehabilitation packages (as appropriate, to be determined in the RAP) for PAPs that may need to be relocated, suffer business losses, or may be severely affected.³

Furthermore, public disclosure and consultation are not well articulated in the GoA laws and the project will ensure due inclusion of (potential) PAPs and, in particular, of vulnerable groups affected by the project, in the public consultation and participation process prior to and during project implementation (see also section 5 below). In addition, an accessible grievance redress mechanism will be instituted (see also section 5.7 below) and physical project implementation works will not commence until all compensation and rehabilitation measures of a project or sub component are completed.

³ This is an important point for discussion between World Bank and GoA (MAFCP)

3 ELIGIBILITY AND ENTITLEMENTS

3.1 Eligibility

Following on from the previous chapter and the assumption that compensation at full replacement cost of all items, including the rehabilitation of informal/non-titled settlers, and rehabilitation packages will be adhered to, then the basic principle followed in this RPF is that PAPs should be assisted in their efforts to improve their former living standards, income earning capacity, and production levels, or at least to restore them to pre-project level whereby lack of legal title does not exclude individuals from the eligibility to receive compensation and/or rehabilitation assistance.

PAPs eligible for compensation will include those who have formal legal rights to land or other assets, and those who initially do not have formal legal rights to land or other assets but have a claim to legal rights based upon the laws of Albania; upon the possession of documents such as land tax receipts and residence; or upon the permission of local authorities to occupy or use the project affected plots. The genesis of these rights may come from continued possession of public land where the government has not sought their eviction. Affected items could include, but may not be limited to, the following:

- Permanently or temporarily affected land;
- Houses or other structures, crops, trees, or other assets;
- Business and production; and/or,
- Suffered income losses as a result of the Project or sub projects.

The WB's OP 4.12 recognises that individuals and households who occupy project-affected areas after the cut-off date are not eligible for compensation. The cut-off date will be publicly announced by the relevant GoA authorities and the census of PAPs will commence immediately following this announcement.

All people moving into the project area and/or people conducting construction works, planting trees, etc. after the cut-off date are non-eligible PAPs and thus will not receive any compensation. Advance notice will be given, requesting them to vacate their premises and dismantle affected structures prior to project implementation. To facilitate this, the Program will put at their disposal the necessary transportation means for their relocation.

3.2 Entitlements

Land acquisition and resettlement will be implemented according to a compensation and entitlements framework in line with both GoA laws and regulations and WB OP 4.12. During compensation identification, the entitlement matrix and description of compensation entitlements shall be revised and updated accordingly. A provisional entitlement matrix is shown in Annex 2 at the back of this RPF.

The entitlement matrix is based on the premise that resettlement, rehabilitation and compensation programs should improve or, at a minimum, maintain the PAPs' pre-project living standards and ensure their participation in project benefits. This is reflected in the following principles of compensation:

3.2.1 Eligibility

- All PAPs living in the Project area before the cut-off date may be considered for compensation for their losses and/or rehabilitation assistance. Lack of legal rights or titles do not make them ineligible for entitlements;

3.2.2 Compensation

- PAPs will be compensated at full replacement and substitution costs without depreciation, and relocated or resettled in and after due consultation with them. The preliminary compensation rates for replacement and substitution cost will be proposed to the PAPs to give them an opportunity to compare those with the prevailing market rates;
- All fees and taxes on land and/or house transfers will be waived or otherwise fees and taxes will be included in a compensation package for land and/or house. The competent government authorities will give preferential treatment to PAPs reconstructing their houses on their own, and to obtain the necessary property titles and official certificates;

3.2.3 Resettlement Strategy

- Preference will be given to land-based resettlement strategies for PAPs whose livelihoods are land-based. These strategies may include resettlement on public land or on private land acquired or purchased for resettlement. Whenever replacement land is offered, resettlers are provided with land for which a combination of productive potential, locational advantages and other factors is at least equivalent to the advantages of the land taken.
- If land is not the preferred option of the PAPs, or the provision of land would adversely affect the sustainability of a park or protected area, or sufficient land is not available at a reasonable price⁴, non-land-based options built around opportunities for employment or self-employment should be provided in addition to cash compensation for land and other assets lost.

3.2.4 Cash compensation

- Payment of cash compensation for lost assets may be appropriate where (a) livelihoods are land-based (such as agriculture), but the land taken for the project is a small fraction (this needs to be adequately demonstrated and documented to the WB satisfaction) of the affected asset and the residual is economically viable; (b) active markets for land, housing, and labour exist, PAPs use such markets, and there is sufficient supply of land and housing; or (c) livelihoods are not land-based. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets, calculated as of the cut-off date.
- Compensation in cash for all residential, commercial or other structures will be paid at replacement cost of these structures, without any depreciation of the structure and without deduction for salvageable materials;

3.2.5 Consultation and Planning

- Resettlement plans will be developed and implemented in consultation with the PAPs. In the relocation area, community infrastructure and services will be built and improved, so that the PAPs will have access to these services.
- Effective and timely design, planning and implementation of resettlement and rehabilitation measures will be conducted to avoid unnecessary delays and consequent inconveniences to the PAPs.

3.2.6 Relocation

- PAPs will be provided full assistance for transportation of personal belongings, household inventory and salvaged material, and will be given a relocation allowance in addition to the compensation at replacement cost of their houses, lands and other properties.
- In cases where community infrastructure such as schools, factories, water sources, roads, sewage systems, electrical supply, or other community resources such as a woodlot or pasture is lost, this will be replaced at no cost to the community.

⁴ The lack of adequate land will be demonstrated and documented to the satisfaction of the MCC

3.2.7 Timing

- Resettlement, compensation and rehabilitation Programs for PAPs will be timed so as to guarantee the availability of new land and residences, prior to commencement of project or sub component related construction activities;
- Land clearance will not be started before the PAPs have received compensation and rehabilitation assistance.

3.2.8 Monitoring

- In the event of resettlement being necessary (considered highly unlikely), institutional arrangements will be made for internal and external monitoring of all important activities relating to the subject.

3.3 Valuing Affected Assets

In the event that a RAP or Limited RAP is necessary, MAFCP will engage the services of a competent and acknowledged independent assessor, responsible for determining replacement cost of affected properties and assets. During the valuation process, PAPs, local officials and relevant government offices (such as the Cadastral Survey office (Land Administration and Protection Offices) will be consulted. Subsequently, compensation and rehabilitation measures will be developed by MAFCP based on the valuations thus established. The following guiding principles for the valuation will be taken into account:

3.3.1 Replacement valuation

With regard to land and structures, the replacement value is defined as follows:

- For agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes.
- For land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes.
- For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labour and contractors' fees, plus the cost of any registration and transfer taxes.

In determining the replacement cost to be compensated to the PAP, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. Where domestic law does not meet the standard of compensation at full replacement cost, World Bank guidelines and technical specifications for compensation at replacement cost will be applied.

Compensation for land, structures, business, fixed improvements and other temporary assets will be based on market valuation, productivity valuation, negotiated settlements, material and labour valuation, disposition of salvage materials and other fees paid. It should be noted that lack of title, license or permit is not a bar to compensation.

3.3.2 Rehabilitation cost

In addition to compensation for lost assets, PAPs will be entitled to transitional assistance which include moving expenses, temporary residence (if necessary), employment training and income support while awaiting employment and should have an option for full compensation if duration of impact is to exceed two years. These losses will be estimated for each individual case and may vary from (temporary or per-



manent) loss of business opportunities to loss of crops, orchards, trees, and other items.

In relation to losses that cannot easily be valued or compensated for in monetary terms (e.g., access to public services, customers, and suppliers; or to fishing, grazing, or forest areas), attempts will be made to establish access to equivalent and culturally acceptable resources and earning opportunities.



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4 RAP INFORMATION REQUIREMENTS

4.1 Census and Inventory of Project Affected Persons

Soon after the completion of feasibility studies and further detailed design work by the FS Consultant, a cut-off date will be publicly announced and, where applicable, a census of families and persons adversely affected by the Project needs to be prepared. The census will include a complete inventory of all losses to be incurred by each PAP. A checklist of information together with a list of data for the census survey is included in Annex 3.

4.2 Identification of Losses

If the Project or sub project components actually involve physical relocation of PAPs (very unlikely), or provision of replacement land, data will need to be collected on the location, area, type, and category of the replacement land available for residential and/or agricultural purposes. This information will form part of the Baseline Survey (mentioned in section 4.3 below). Care needs to be taken to ensure that the relocation site or replacement land is in the vicinity of the PAP previous location to avoid social dislocation and unrealistic division of the PAPs' economic livelihood. A list of identification of losses is shown in Annex 4

4.3 Baseline Survey

In addition to the census and inventory of affected properties, sub-projects requiring physical relocation of PAPs may include a baseline survey of the affected population as part of the RAP⁵. In the event that a Baseline Survey is required, this will provide data on the existing social structure, tenure arrangements and resource use, access to common property resources, social services and infrastructure facilities by different social groups in the project area, and for the host population at the proposed resettlement site (if relevant), clearly identifying all special interest groups, particularly those who are poor and vulnerable (e.g. tenants, landless labourers, and female-headed households), and describing their special characteristics in relation to the project. A list of items covered under the Baseline Study is contained in Annex 5

⁵ If a full RAP is required, a baseline survey is mandatory. For an abbreviated RAP a baseline survey is undertaken if physical relocation of PAPs is unavoidable and/or if some of the PAPs lose more than 10% of their productive assets; cf. footnote 6, OP 4.12, Annex A



5 COMMUNITY PARTICIPATION/GRIEVANCE PROCEDURES

5.1 Consultation with Affected Populations

To ensure the interests of the PAP are fully entrenched in the RAP process and income restoration, the implementing agency will need to undertake a thorough consultation with the affected persons, representatives of any affected group, any interested group and the various administrative and government departments all through the project area covering the dam and reservoir sites.

Some of the consultation with PAP is already undertaken by the ESIA Meetings have been arranged with them and at the municipality and commune level. Communication with PAP, as well as with other community members who expressed interest in the project, needs to be maintained by the respective stakeholders (i.e. MAFCP and others) throughout the implementation of the project to closure phase.

5.2 Monitoring Income Restoration

The income restoration strategy proposed in the previous chapter, upholds the principle of OP 4.12 and aims at ensuring the PAP are reinstated to their prevailing state at the beginning of the project and adequate measures are in place to assist them progress further. The monitoring process and the responsible parties will be described in the Monitoring and Evaluation section of any necessary RAP document. The key indicators of the performance of the income restoration measures within the restoration strategies adopted are:

- Measurement of income / poverty variation among the PAPs / households;
- Conflicts within the PAP, social, political etc.

5.3 Mechanisms for consultations

In addition to documenting the expropriation procedures indicated above, once the more detailed tentative arrangement of the civil works is identified, each sub-project proponent (Communes or Regions) will hold public consultations to discuss the expropriation and its implications. All those whose ownership or occupation of land that will be affected by the expropriation will be invited to these consultations, in which they will be offered choices about their options and rights pertaining to compensation, and resettlement – if required, and provided with technically and economically feasible alternatives.

5.4 Description of the implementation process

The implementation of expropriation activities will be linked to the implementation of the project, to ensure that loss of assets and/or displacement does not occur before the necessary mitigation measures and resources are in place. In particular, land and related assets will be taken only after compensation has been paid.

5.5 Arrangements for funding resettlement

The overall responsibility for resettlement and expropriation for the Project is under the Council of Ministers. The financial responsibility for the expropriation procedures, including the compensation to be paid, resettlement costs, etc., lies with the MAFCP. The Council of Ministers is responsible for issuing the expropriation decision and authorizing the funds required. The land acquisition transfer must be fully completed, and payment made, before any Works can be executed on the expropriated property.

5.6 Responsible Institutions and/or Agencies

The following agencies and institutions are responsible for the coordination and delivery of each activity in the land entitlement policy:

- Immovable Property Registration Office for each District in the respective sub-Project area, under the authority of the Central Registration Office, which are responsible for identifying and verifying property boundaries and ownership.
- Land Administration and Protection Offices (formerly Cadastre Offices) under the Region, which will clarify land allotment certificates for agricultural land that has not been formally registered and transferred to the Immovable Property Registration Offices.
- The Communes, Regions and the Municipalities will be responsible for the coordination of the implementing procedures and execution of the compensation

5.7 Grievance Redress Mechanisms

Grievances in involuntary resettlement are a common phenomenon that invariably gives rise to local resistance, political tension and unnecessary delays in executing the project if they are not resolved in an amicable and timely manner. A grievance redress mechanism for the project is suggested for addressing potential legitimate concerns of PAPs who may consider themselves deprived of appropriate treatment under the project. The mechanism will be developed by the MAFCP and with WB approval and would include:

- A recording and reporting system, including grievances filed both verbally and in writing,
- Personnel with responsibility at various levels of governments and representative of the community, and
- A time frame to address the filed and lodged grievances

The functioning of the grievance redress mechanism should be regularly monitored and evaluated by the MAFCP during project implementation.

Families and businesses undergoing expropriation shall be notified *in writing* that they have the right to file a complaint or appeal against a decision. Such appeals shall be received, recorded and acknowledged by a designated official in MAFCP who will undertake a review of the review of the grievance, engaging with other stakeholders and agencies as appropriate, and provide a response within a reasonable length of time. Complainants are entitled to legal representation and should be able to present evidence and grounds for their complaints. Additionally, the Office of the Ombudsman in Tirana [*Avokati Popullit*] receives complaints from citizens against government actions that affect their rights. The Expropriation Law also provides for an appeals process against the proposed award for compensation. In addition, the Urban Planning and Construction Inspectorate laws allow for administrative appeals against a decision for demolitions. Further appeals can be made to the district courts.

For the purposes of the RAPs associated with this project, it is suggested to initially involve a local NGO to assist people with any grievances, fixing problems during implementation, etc, before the need to go to authorities. Essentially the grievance mechanism is an easy access, no cost mechanism, which involves people from the community, the project, and the relevant authorities to manage and fix problems before they run for official channels of redress, which might take time and have a cost. The NGO would help organize this through setting up a PAP-Project-Authorities group to handle problems during implementation.

5.7.1 NGO Scope of Work

The objectives of the local NGO to be appointed for the implementation of the RAP should be entitled to:

- Provide the MAFCP with grass-root skills and capacity for field activity in the implementation of the Resettlement Plan;
- Educate the identified PAP regarding their entitlements and obligations under the RAP and ensure PAP obtain their entitlements.;
- Assist the PAP in the redress of grievances through the system implemented as part of the RAP.

5.7.2 NGO Tasks

The NGO will be responsible for assisting the PAPs during the resettlement and rehabilitation process and shall ensure that the RAP with regard to the well being of the PAPs, are implemented appropriately and effectively. The NGO will:

- Develop rapport between the PAPs and the project authorities through regular meeting with both the MAFCP representatives and the PAPs. All meetings and decisions taken are to be documented.
- Assist PAPs in getting the compensation for their land and properties acquired for the project.
- The NGO will determine the entitlements of each PAP and compare it to the offer being made by the project. If there is a discrepancy, between the two, the NGO will be responsible for assisting the PAP in coming to some agreement with the MAFCP and, if necessary, pursuing the matter through the grievance redresses mechanism.
- MAFCP will be monitoring the implementation of the RAP and will require data from the NGO to monitor input, output and impact indicators;

5.7.3 Methodology

In order to carry out the above tasks, employees of NGOs are to be stationed in the district centres (a local NGO would be better).

- Besides contacting PAPs on an individual basis to regularly update the baseline information, group meetings should be conducted by the NGOs on a regular basis. The frequency of such meetings will depend on the requirements of the PAPs, but should occur at least once a month, to allow the PAPs to remain up to date on project developments.
- The NGO should encourage participation of individual PAPs in such meetings by discussing their problems and other aspects relating to their socio-economic lives. Such participation will make it easier to find a solution acceptable to all involved.

5.7.4 Reporting

It is suggested that the following reporting should be considered by the appointed NGO:

- An inception report-detailing plan of action, manpower deployment, time schedule, and detailed methodology within 30 days of the commencement of the assignment.
- Monthly progress reports on the activities carried out and proposed activities for the coming month including data on indicators as required by the MAFCP.
- A final report summarizing the actions taken during the project implementation, the methodology and manpower used to carry out the work, and a summary of assistance given to each PAP on completion.

5.7.5 Time Schedule

It is estimated that the NGO services will be required for six months for participating in the implementation of RAP. This is based upon the provisional timeframe shown in the FS. However, this may be re-scheduled based on the exact nature of the activity, with greater inputs in the initial two quarters and reduced inputs in the subsequent two other quarters/end of year of NGO involvement (assuming a one year timeframe).



If the involvement of a local NGO does not satisfy the grievance, then there is recourse to official administrative channels, but the project should make a real effort to solve problems initially on the ground.

The Expropriation Law provides for an appeals process against the proposed award for compensation. In addition, the Urban Planning and Construction Police laws allow for administrative appeals against a decision for demolitions of illegal construction. Further appeals can be made to the district courts. The Office of the Ombudsman in Tirana receives complaints from citizens against government actions that affect their rights. The project staff from MAFCP can also play a role in resolving grievances.

5.8 Arrangements for Monitoring and Evaluation

During implementation, MAFCP and the relevant local government units will monitor all activities connected with each subproject to ensure that PAP have been able to adapt to new conditions, find new places to live (resettlement is unlikely in this case) and work and have the means to maintain their livelihood.

It is proposed approximately one year following the completion of each subproject that MAFCP will revisit the site to verify that urban services and conditions have returned to normal. Persons affected by the subproject will be interviewed to ascertain whether they have been able to restore their livelihoods adequately and whether they have managed to reproduce approximately the same standard of living as prior to land disturbance or resettlement (which is unlikely).

6 COSTS AND BUDGETS

Based on the finalised RAPs, MAFCP needs to submit to the WB detailed cost of resettlement, with a breakdown by agricultural land, residential land, houses, other assets, and livelihood to be affected.

The cost estimates will make adequate provision for monitoring and supervision and for contingencies. All costs for resettlement will be funded through MAFCP funds.



7 ANNEXES

7.1 Annex 1: Proposed Formats for RAP and Abbreviated RAP

Full RAP	Abbreviated RAP
<p>Includes a statement of objectives, policies and principles, and typically covers the following:</p> <ol style="list-style-type: none">1. Description of the project;2. Project resettlement potential impacts;3. Objectives;4. Socio-economic studies;5. Legal framework;6. Eligibility;7. Valuation of and compensation for losses;8. Site selection, site preparation and relocation;9. Housing, infrastructure and social services;10. Organisational responsibilities;11. Public participation, consultation and grievance mechanism;12. Implementation schedule;13. Cost estimate and budget;14. Monitoring and Evaluation	<p>Covers the following minimum elements⁶:</p> <ol style="list-style-type: none">1. A census survey of displaced persons and valuation of assets; Or census of lost assets (land acquisition permanent or temporary)2. Description of compensation and other resettlement assistance to be provided; Description of compensation and other assistance to be provided for permanent or temporary losing of assets.3. Consultations with displaced people about acceptable alternatives; Consultations with affected persons, temporary or permanent loss of assets, about acceptable alternatives4. Institutional responsibility for implementation and procedures for grievance redress;5. Arrangements for monitoring and implementation; and6. A timetable and budget.

⁶ In case some of the displaced persons lose more than 10% of their productive assets or require physical relocation, the plan also covers a socio-economic baseline survey and income restoration measures.



7.2 Annex 2: Provisional Entitlement and Compensation Matrix

Type of loss	Specification	Affected people at cut off date	Entitlements
1. Permanent loss of agricultural land, including cultivable land and uncultivable wasteland (such as pastures, woodlots, etc)	All land losses, irrespective of severity of impact	Farmer/titleholder	<ul style="list-style-type: none"> Land for land compensation with plots of equal value and productivity to the plots lost; or; Cash compensation for affected land at replacement cost free of taxes, registration, and transfer. Residual portions of plots affected by the required ROW which are reduced to less than 400m² or rendered unusable by alterations in access, irrigation, or workability will be included in the affected land and compensated as indicated above.
		Leaseholder (registered or not)	<ul style="list-style-type: none"> Renewal of lease in other plots of equal value/productivity of plots lost, or cash equivalent to market value of gross yield of affected land for the remaining lease years (up to a maximum of 10 years).
		Share-croppers (registered or not)	<ul style="list-style-type: none"> Cash compensation equal to the market value of the lost harvest share and rehabilitation assistance as appropriate (to be determined in the specific RAP)
		Agricultural workers losing their contract	<ul style="list-style-type: none"> Cash indemnity corresponding to their salary in cash and kind for the remaining part of the agricultural year and rehabilitation assistance as appropriate (to be determined in the specific RAP)
		Non-titled land-owners	<ul style="list-style-type: none"> One rehabilitation allowance equal to market value of one net harvest (in addition to crop compensation) for land use loss; additional rehabilitation assistance as appropriate (to be determined in the specific RAP)
	Additional provisions for severe impacts (> 10% of land loss)	Farmer/titleholder & Leaseholder (registered or not)	<ul style="list-style-type: none"> One severe impact allowance equal to market value of one net harvest of the affected land for one year (inclusive of winter and summer crop and additional to standard crop compensation and rehabilitation assistance, as appropriate)
		Share-croppers (registered or not)	<ul style="list-style-type: none"> One severe impact allowance equal to market value of share of harvest lost (additional to standard crop compensation and rehabilitation assistance, as appropriate)
		Non-titled land-owners	<ul style="list-style-type: none"> One severe impact allowance equal to market value of net harvest of the affected land for one year (additional to standard crop compensation and rehabilitation assistance, as appropriate)
2. Temporary loss of land		All PAPs (including non-titled landowners)	<ul style="list-style-type: none"> Affected land & communal infrastructure will be restored to pre-project conditions. Rent shall be agreed between landowner and Contractor equal to the revenue lost based on market value (example: compensation for harvests lost at average yield/hectare) Cash compensation for assets lost (example: structures, trees)
3. Residential/commercial land		Titleholder	<ul style="list-style-type: none"> Land for land compensation through provision of a plot comparable in value/location to plot lost; or; Cash compensation for affected land at full replacement cost free of taxes, registration, and transfer costs
		Tenant/Leaseholder	<ul style="list-style-type: none"> Maximum of three months allowance to find replacement
		Non-titled land-owner	<ul style="list-style-type: none"> Provision of a free or leased plot in a Government resettlement area or a self-relocation allowance.
4. Houses, building and structures		All relevant PAPs (with or without house or building registration)	<ul style="list-style-type: none"> Cash compensation at replacement rates for affected structure and other fixed assets free of salvageable materials, depreciation and transaction costs. In case of partial impacts full cash assistance to restore remaining structure. The cost of lost water and electricity connections will be included in the compensation.
5. Crops	Crops affected/lost	All PAPs (including non-titled landowners)	<ul style="list-style-type: none"> Crop compensation in cash at full market rate for one year gross harvest by default to be paid both to landowners and tenants based on their specific sharecropping agreements; additional rehabilitation assistance as appropriate (to be determined in the specific RAP)
6. Trees	Trees affected/lost	All PAPs (including non-titled landowners)	<ul style="list-style-type: none"> Cash compensation shall reflect income replacement. Fruit trees will be valued at gross market value of one year income x number of years needed to grow trees of the same productivity.



Type of loss	Specification	Affected people at cut off date	Entitlements
7. Business/ Employment	Temporary loss of business or employment	All PAPs (including non-titled landowners)	<ul style="list-style-type: none"> Business owner: Cash compensation for the period of business interruption, based on tax declaration or official minimum salary Worker/employee: Indemnity for lost wages for the full period of business interruption
	Permanent loss of business or employment	All PAPs (including non-titled landowners)	<ul style="list-style-type: none"> Business owner: Cash compensation equal to one year income (based on tax declaration or official minimum salary) and rehabilitation assistance as appropriate (to be determined in the specific RAP) Worker/employee: 3 months indemnity for lost wages and rehabilitation assistance as appropriate (to be determined in the specific RAP)
8. Livelihoods	Loss of social support systems	All PAPs (including non-titled landowners)	<ul style="list-style-type: none"> Restoration of livelihoods must be to levels at least equivalent to those maintained at the time of dispossession, displacement, or restricted access. If replacements to losses are unavailable, strategies can include skill development, wage employment or self-employment, including access to credit.
9. Relocation	Transport and transitional livelihood costs	All PAPs affected by Relocation	<ul style="list-style-type: none"> Provision of cash compensation to cover transport expenses and livelihood expenses due to relocation; time period to be determined in the RAP
10. House tenants		Tenants who have leased a house	<ul style="list-style-type: none"> Provision of a cash grant of three months rent at the prevailing market rate in the area and will be assisted in identifying alternative accommodation
11. Community assets			<ul style="list-style-type: none"> Rehabilitation/substitution of the affected structures/utilities (i.e. places of worship, footbridges, roads, schools, health centres, pastures, woodlots, etc.) to pre-project functions
12. Vulnerable people's livelihood		PAP below poverty line	<ul style="list-style-type: none"> Priority for employment in project-related jobs, training opportunities, self-employment and wage-employment assistance; Rehabilitation assistance package to be determined based on a cases by case analysis



7.3 Annex 3: Checklist and Data Requirements for Census

7.3.1 Checklist

Persons:

- Aggregate number of individuals and households in each affected category;
- Age, gender, occupation of every individual.

Personal property including details of ownership of

- structures: houses, farm buildings, shops, industrial structures, grain drying area, latrines;
- land and type: irrigated or non irrigated, woodlots, grassland, wasteland, etc.;
- description and estimate of the value of standing crops on land;
- other: livestock, wells, trees.

Public and common property:

- land: village common lands, gathering and foraging areas, fishing areas, etc.;
- structures and facilities: schools, health facilities, burial grounds, temples, community centres, public transport, banks, co-ops;
- infrastructure: drinking and other water systems, access and internal roads, electricity and other power sources;

PAP incomes from other sources, including:

- farm-based income;
- off-farm labour;
- informal sector activities.

7.3.2 Data Requirements

1. Background Information

- (a) Questionnaire code and date of survey
- (b) Name of interviewer
- (c) Name of province, district and village/hamlet

2. Household Census

- (a) Name of household head and all household members
- (b) Relationship of household members to the household head
- (c) Age and sex of each household member
- (d) Information on ethnicity
- (e) Education level of each member
- (f) Primary occupation and monthly income of each member
- (g) Incomes from secondary sources for each member
- (h) Location of job or businesses as the case may be
- (i) Length of stay on present location

3. Tenure Status

- (a) Category of land
- (b) Type of land ownership and the name of the owner/HH member
- (c) Type of document possessed to certify ownership type
- (d) If not owned, name and address of owner
- (e) If informal use right, type of agreement



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- (f) Number of years used
- (g) Rent per month paid by tenant
- (h) Deposits made by lessee

Note:

In case census and inventory are conducted as separate exercises, some information on land use, affected structures and other fixed assets, and affected businesses should also be collected as part of census surveys.



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7.4 Annex 4: List of Data for Inventory of Losses

1. Land Use

- a. Existing use of land
- b. Areas under different land usages, where applicable
- c. Total and affected area of land with breakdown by usages, if applicable
- d. Estimate whether the remaining area is viable for continued use
- e. Total area of land by type for compensation purposes

2. Structures

- a. Type of structure
- b. Number of floors
- c. Area by floor
- d. Name of owner of structure
- e. Year of construction
- f. Whether permit obtained for structure
- g. Use of structure and areas by usages, if applicable
- h. Description of building material used for roof, walls and floors by surface areas
- i. Type of foundation
- j. Description of any special features of structure
- k. Utility connections (electric meter, water supply, etc.)
- l. Charges paid for utility connections
- m. Affected area of structure
- n. Estimate whether the remaining structure is viable for continued use
- o. Total area of building for compensation purposes

3. Other Structures

- a. Types of structures (wells, boundary wall, fence, warehouse, etc.)
- b. Area of fish pond affected
- c. Average household income from fish pond
- d. Description of areas and construction material of affected structures
- e. Use of other structures

4. Agricultural Products

- a. Type of crops affected
- b. Owner of affected crops
- c. Total yearly production of crop on affected land
- d. Average yield of crop
- e. Any products that are sold at the market
- f. Number of employees/labour used for crop production
- g. Average value of crop
- h. Average yearly household income from agriculture

5. Trees

- a. Number and types of affected trees
- b. Age of trees
- c. Name of owner of trees
- d. Average yield of fruit bearing trees
- e. Average yearly income from fruit trees

6. Business

- a. Type of business affected
- b. Name of owner of business
- c. Registration/permit number of business (check document)
- d. Total yearly household income from business
- e. Average operating expenditure of business
- f. Number of employees in business
- g. Number of permanent and temporary employees
- h. Average income and profit as reported for income tax (check document)
- i. Whether the business needs to be relocated

7. Affected Public Utilities and Facilities

- a. Description of affected community infrastructure
- b. Description of affected facilities by area & building material used
- c. Estimated number of population adversely affected by the facilities/infrastructure

8. Preference for Relocation

- a. Whether there is a need for relocation or reorganization
- b. Preferred mode of compensation (cash or kind) for land
- c. Preferred mode of compensation for structure
- d. Preferred type of assistance for income rehabilitation



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7.5 Annex 5: Data for Baseline Survey

Note: The background information, household status and land use information would be same as in Annex 3 above: List of Data for Census Survey

Additional information would include the following:

1. Access to Facilities

- a. Access to electricity
- b. Type of water supply available
- c. Type of sanitation facilities within the building
- d. Distance to school
- e. Distance to health facilities
- f. Distance to market

2. Household Assets

- a. Type and number of farm equipment and implements owned by the household
- b. Type of other business equipment owned by household
- c. Estimated value of affected equipments
- d. Type of transport owned (bike, motorcycle, truck, animal cart, car, other)
- e. Major kitchen equipments owned (stove, cooker, etc.)
- f. Ownership of fridge, radio, TV, etc.
- g. General condition of building (excellent, good, average, poor)
- h. General condition of household furnishing (furniture, cupboards, etc.)

3. Household Income and Expenditure

- a. Average annual household income from all sources
- b. Average expenditure on major items: food, transport, health, education
- c. Any loans taken from bank, friends or relatives
- d. Approximate savings, if any

4. Skills Possessed

- a. Skills of each household member
- b. Types of training or skills preferred for further upgrading

