

Livelihood Restoration Plan

460.8.4 MW Vifor Wind Farm, Buzău
County, Romania

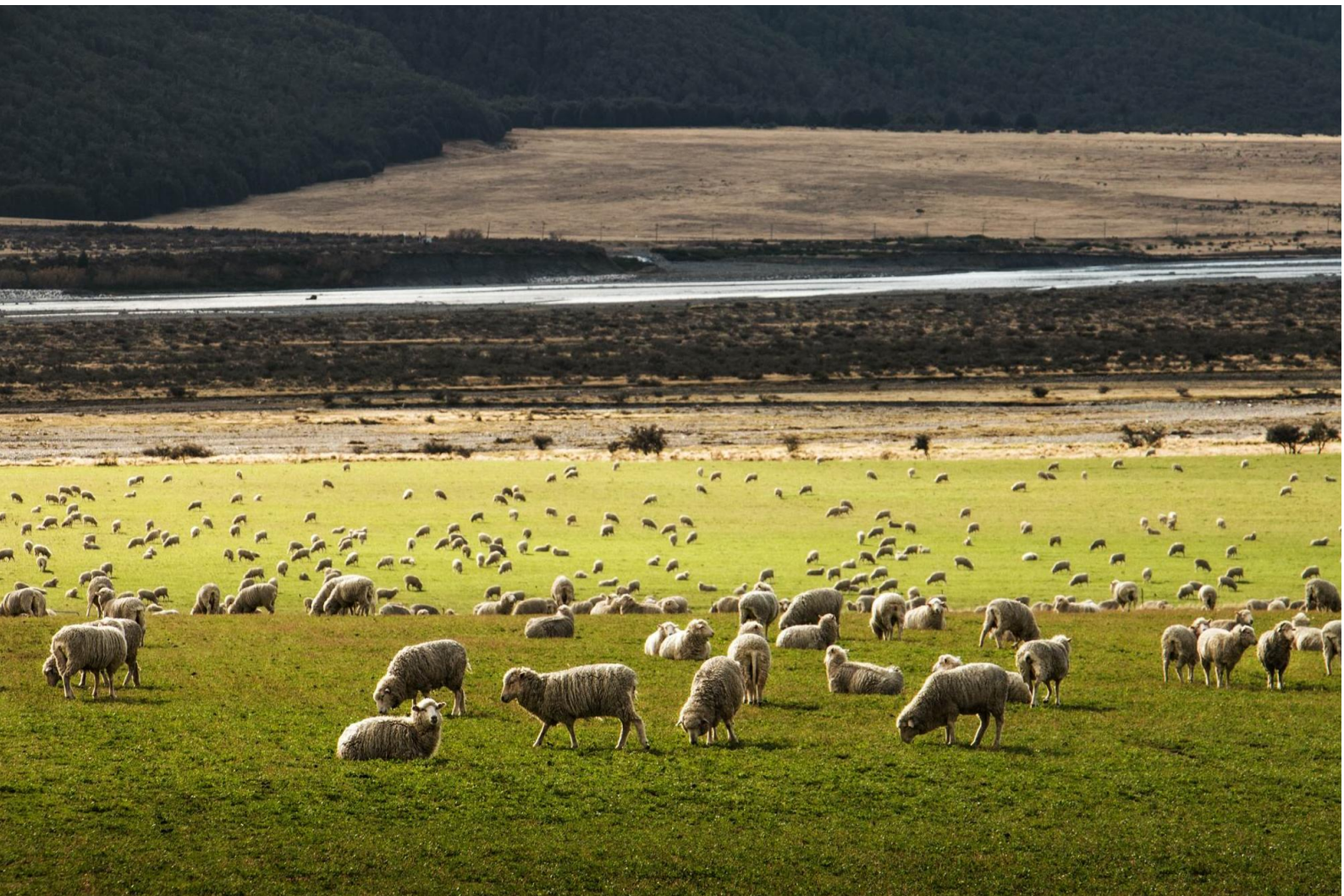
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ACRONYMS AND ABBREVIATIONS

Acronyms	Description
AoI	Area of Influence
APIA	Agency for Payments and Intervention for Agriculture
ANCPI	National Agency for Cadastre and Land Registration
ANPM	National Environmental Protection Agency
ANRP	National Authority for Property Restitution
ASF	Family Support Allowance (Alocație pentru Susținerea Familiei)
ATU	Administrative Territorial Unit
CLO	Community Liaison Officer
CNSP	National Strategy and Forecast Commission
CNTEE	National Company for Electric Transmission in Romania (Compania Națională de Transport al Energiei Electrice)
E&S	Environmental and Social
EBRD	European Bank for Reconstruction and Development
EP	Equator Principles
EPC	Engineering-Procurement-Construction
ESDD	Environmental and Social Due Diligence
ESIA	Environmental and Social Impact Assessment
EUR	Euro
ERM	Environmental Resources Management
ESIA	Environmental and Social Impact Assessment
EU	European Union
FDG	Focus Group Discussion
FLS	First Look Solutions
GBVH	Gender-based Violence and Harassment
GRM	Grievance redress Mechanism
HH	Household
IFC	International Finance Corporation
ILO	International Labor Organization
KI	Key Informant
KII	Key Informant Interview
KPIs	Key Performance Indicators
LRF	Livelihood Restoration Framework
LRP	Livelihood Restoration Plan
LUR	Land Use Rights

Acronyms	Description
MADR	Ministry of Agriculture and Rural Development
MW	Megawatt
MRE	Monitoring, Reporting and Evaluation
M&E	Monitoring and Evaluation
NTS	Non-technical Summary
OHL	Overhead Line
PAH	Project Affected Household
PAP	Project Affected Person
PR	Performance Requirement
PS	Performance Standard
RON	Romanian Leu
SEA	Sexual Exploitation and Abuse
SEN	Societatea Energetică Electrica SA (National Grid Company)
SEP	Stakeholder Engagement Plan
SSQ	Socio Economic Survey Questionnaire
UCL	Cable Connection Line
UK	United Kingdom
VMG	Guaranteed Minimum Income (Venit Minim Garantat)
WF	Wind Farm
WHO	World Health Organization
WTG	Wind Turbine Generator

EXECUTIVE SUMMARY

INTRODUCTION

This document serves as the Livelihood Restoration Plan (LRP) for the 460.8 MW Vifor Wind Farm Project (hereinafter “the Project”), located in Buzau County, southeast Romania being constructed by First Look Solutions S.A (FLS). The LRP outlines the process for addressing the socio-economic impacts of the project on individuals and communities whose land use and livelihoods may be affected by the Project. Its primary objective is to ensure that those impacted by land acquisition or restrictions on land use receive fair compensation, access to alternative livelihoods, and support to restore or improve their economic conditions.

The document is informed by socio-economic surveys, direct stakeholder engagement, and an analysis of land use patterns to accurately assess the impact the Project is likely to have on the affected persons. It provides clear eligibility criteria for those entitled to compensation and livelihood support, while also detailing the mitigation measures necessary to minimize adverse effects.

Beyond compensation and restoration, the LRP incorporates a grievance management mechanism to ensure concerns are addressed in a transparent and structured manner. Additionally, monitoring and evaluation processes are included to assess the effectiveness of the proposed interventions over time, allowing for adjustments if necessary.

The LRP aligns with international best practices and regulatory requirements, ensuring that the Project is implemented in a socially responsible manner. By prioritizing the needs of affected persons and fostering sustainable economic recovery, the Plan aims to mitigate disruptions while contributing to long-term community resilience.

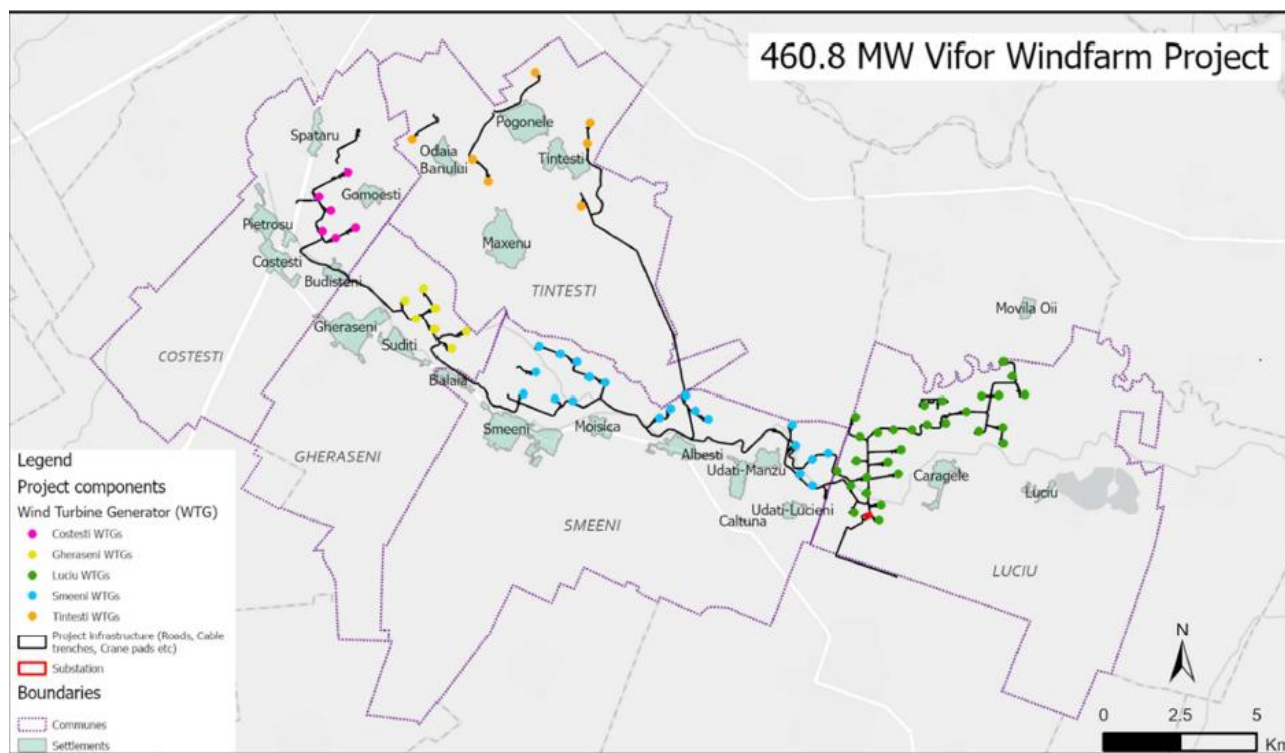
PROJECT DESCRIPTION

The Project is developed in Buzu County, south-east of Buzău City, on the administrative areas of Costești, Gherăseni, Smeeni, Luciu, and Țintești communes and is located mainly in Călmățui River meadows, partially overlapping the Natura 2000 sites ROSCI0259 Valea Călmățuiului and ROSPA0145 Valea Călmățuiului. The Project also encompasses some land owned by Pogoanele Town Council and Cilibia Commune within Luciu commune.

The Project comprises five sub-projects, which have separately followed the national urban planning and environmental permitting procedures and comprises 72 Wind Turbine Generators (WTGs) type 6.4 MW EnVentus Vestas V162, resulting in a total capacity of 460.8 MW.

All WTGs will be connected via underground cable lines to a single transformer station located in Luciu Commune, and from there through a 1.2 km long OHL to the national grid. The wind farm will be served by a network of existing agricultural roads and newly built access roads, along which the underground cable lines will be installed, and which will include as the main road artery an East-West construction corridor. Thus, impacts from underground cables will be of temporary nature.

Construction commenced in mid-July 2024 for the Luciu sub-Project (Phase I). Components of the remaining communes will be constructed afterwards and are part of Phase II of the Project. The overall construction period will last for up to three years and will be completed in stages. Estimated Project operation period is up to 35 years.



METHODOLOGY

The methodology combined secondary and primary data collection to assess the Project's socio-economic impacts. Secondary data included reports, statistical data, and land records. Primary data was gathered through socioeconomic surveys, focus group discussions with animal breeder's associations, and key informant interviews with local authorities.

Primary data was collected as part of the LRP site visits conducted from July 29 to 02 August 2024 and on 18, 19, 26 and 27 September 2024.

LEGAL FRAMEWORK

The document details pertinent national laws and international standards concerning livelihood restoration and compensation. The Project's approach aligns with international best practices by bridging legislative gaps and implementing higher standards where necessary. By integrating livelihood restoration, early engagement, and social safeguards, the Project ensures fair and equitable treatment of affected communities while fostering sustainable development.

SOCIO-ECONOMIC BASELINE

The socio-economic baseline provides an overview of demographics, land use, livelihoods, economy, and public services within the project area of influence. This data collection process was conducted using public sources and official documents prior to the site visit, followed by onsite data collection and the application of structured methodologies.

The six administrative units in the project Area of Influence (AoI) vary in size and population. In 2023, Smeeni had a population of approximately 6,387 inhabitants. In opposition, Luciu commune had a population of approximately 2,607 inhabitants. A population decreasing trend

is evident within the communes, in line with the national and county demographic developments, with the exception of Costești and Pogoanele.

Given the rural character of all territorial administrative units (ATU), the main livelihood activity in the Project area is agriculture, practiced at both economic and subsistence levels. Most of the land is cultivated with cereals (corn, sunflower, wheat), with more limited areas dedicated for vegetables cultivation (tomatoes, potatoes) and watermelons, due to the limited surfaces benefitting from irrigation. Animal husbandry is also a key livelihood in the AoI, practiced economically and as a subsistence activity. Most of the large farmers also cultivate arable land and produce the required fodder.

The total number of employees is larger in Costești and Smeeni, reflecting the larger population. Luciu Commune has the highest % of unemployed population (12%), while Costești has the smallest rate registered. In terms of gender, the communes also reflect the larger context, with registered male unemployment being significantly larger than female unemployment.

SOCIO-ECONOMIC SURVEY RESULTS

The socio-economic surveys were conducted between July and September 2024, involving two rounds of interactions in each commune within the Project's area of influence. The data collection process included direct engagement with affected individuals, facilitated through structured questionnaires and field discussions. The approach aimed to capture essential socio-economic information, including demographic composition, education levels, land use and ownership, livelihoods, income sources, and potential project impacts.

Additional engagement with key stakeholders, such as local authorities and animal breeders' associations, provided further context and validation of the survey findings. A total of 67 PAH were identified and invited to participate in socio-economic surveys of which 38 attended the stakeholder engagement sessions and 32 completed the socio-economic questionnaires. This represents a response rate of 48%. The surveyed community is predominantly Romanian and Orthodox, with members holding lease agreements for grazing within the project area through official arrangements with the Town Hall. The age distribution shows that most respondents fall between the ages of 45 and 64, indicating an older demographic. There are fewer young adults and almost no representation in the under-25 age group.

Of the respondents, 27 indicated that animal husbandry is their primary economic activity, while the remaining five declared that this is not their main source of income. Four respondents identified as farmers and one as an agricultural mechanic.

Annual income levels vary, with the most common range being 20,000-30,000 RON (4,000-6,000 EUR equivalent) annually, and a notable number of respondents were unsure of their income.

A portion of respondents reported specific vulnerabilities, including advanced age (over 60 years old) noted by eight respondents, chronic diseases mentioned by one respondent, and physical disabilities reported by one respondent. These findings suggest the presence of vulnerable groups within the community, highlighting the need for tailored support measures to address their specific challenges and ensure they are adequately considered in the plan of compensation measures.

The predominant concern, identified by 24 participants, is the issue of drought and water deficit. This environmental challenge severely affects grazing conditions and agricultural productivity, leading to increased stress on both livestock and crop yields.

Based on the survey data, the top three anticipated impacts for animal breeders are: (1) loss of subsidies, (2) a decrease in income, and (3) worsening economic conditions due to reduced income. While participation levels varied, all possible efforts were made to ensure inclusivity and clarity in responses. The survey findings serve as a foundation for understanding potential project impacts and developing appropriate mitigation measures.

PROJECT IMPACTS ON LAND AND LIVELIHOODS

No physical displacement impacts will occur as a result of the Project, all displacement impacts being economic in nature.

The Project will result in both temporary and permanent impacts on pastureland and agricultural land. Temporary impacts include the use of land for laydown areas, and site offices during construction, affecting approximately 61.2 hectares (2.03% of the leased area). Once construction is complete, these areas will be restored for grazing use.

Permanent land loss will occur due to essential infrastructure such as substations, wind turbine foundations, access roads, and overhead line (OHL) pylons. This accounts for 1.84% of total pastureland across five Communes and 2.13% of public land leased for the Project. However, remaining pastureland will continue to be used by local farmers, with land reassigned through the APIA program. Restrictions on the RoW of the OHL line will also apply during operations, in line with Romanian applicable legislation and the Energy Law.

At the time of finalizing this LRP, no additional land acquisition is considered necessary for the Project. However, if further land acquisition becomes required as the Project advances, it will be carried out in accordance with the principles and commitments of this LRP, supported by an LRP addendum, and in compliance with IFC PS5 and relevant national laws.

The Project will affect 176 Project-Affected Persons (PAPs) facing permanent and temporary impacts. While the majority of impacted land is pasture, some areas are used for agriculture, primarily sunflower cultivation. Temporary impacts from OHL construction and road widening are minimal (1.6 hectares), and affected farmers will be compensated for crop damage. Permanent impacts on agricultural land are limited to 0.0605 hectares for OHL pylons. Certain restrictions on farming activities under the OHL Right of Way are applied, in line with legal requirements.

Sheep farmers leasing pastureland will experience some income and productivity losses due to restricted grazing access. The Project acknowledges the vulnerability of low-income farmers and will implement LRP measures to mitigate impacts, including reassignment of grazing areas and compensation for temporary losses. The Project remains committed to working with local stakeholders to minimize disruptions, ensure fair compensation, and support affected farmers through sustainable land-use management strategies.

ELIGIBILITY AND ENTITLEMENTS

The Project's census and asset surveys identified individuals subject to economic displacement, as follows:

- Private Landowners and Users: Individuals owning or using private agricultural land impacted by the Project.

- Public Land Users: Those with legal use rights (via lease contracts) to public pasture or agricultural land affected by the Project, including the Animal Breeders Association of Luciu
- Owners of Livelihood Assets: sheep barns, fences, etc.

An initial entitlement matrix was developed to outline the types of compensation and assistance provided based on the nature of the impact and the eligibility of each affected group. The matrix will continue to be updated and confirmed during the implementation of the LRP informed by engagement with PAPs.

LIVELIHOOD RESTORATION AND IMPROVEMENT

The proposed livelihood restoration measures were developed based on stakeholder engagement (July–October 2024) and community feedback. Key challenges in the community concerning livelihoods include drought, lack of support for animal husbandry, soil degradation, low agricultural productivity, financial instability, and limited market access.

Key livelihood restoration measures are presented in this LRP and include amongst others payments for lost land, assets, and subsidies. Support is also offered through provision of livestock feed and/or water resources. To enhance long-term resilience, the program includes capacity-building efforts such as free courses in drought resistance, financial management, organic farming, and agri-business. Community development is a focus, with job opportunities within the Project, access to new technology, and improvements to market access and storage facilities.

For those impacted by the loss of pastureland, the Project will work with communes to reassign APIA pastureland, offer subsidy compensation, and provide additional support such as fodder and water stations. Agricultural land support includes compensation for crop damage, along with the provision of seeds, fertilizers, and productivity-enhancing training if applicable. In cases of temporary land impact, the Project will rehabilitate the land through soil restoration, recontouring, replanting assistance, and infrastructure repairs. To protect subsidies, the Project will support the allocation of APIA plots outside Project footprint to prevent future losses, maintain a register of affected land users, and ensure vulnerable households are prioritized for support.

The entitlements proposed are indicative and are to be confirmed based on further engagement with the PAPs, with the final entitlements to be reflected in an updated version of this LRP.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement meetings and survey activities were conducted throughout July and October 2024 for the LRP development. Stakeholder feedback was gathered during each engagement session and discussions highlighted a range of perspectives on the project. Some local officials expressed a positive outlook, emphasizing that the project posed minimal risks to livelihoods, as it affected only a small proportion of land. However, concerns were raised regarding the lack of alternative grazing land and the potential financial burden on farmers due to penalties for land potentially declared as agricultural despite ongoing construction. Farmers and association representatives voiced concerns over compensation schemes, noting that a universal approach would not be feasible, as different farmers would require tailored solutions.

By incorporating diverse viewpoints, the program can develop more comprehensive and culturally appropriate strategies, ultimately leading to more successful and resilient outcomes. Stakeholder engagement activities were also conducted as part of the Project ESIA development.

In support of the ESIA process and in alignment with the international applicable standards, key stakeholders were consulted during the scoping process for the ESIA, in November 2022, and during the socio-economic baseline data collection for the ESIA, March – April 2023.

GRIEVANCE MANAGEMENT

A summary of the Project grievance mechanism developed as part of the Project ESIA is provided in this document and includes the details of the Community Liaison Officer.

IMPLEMENTATION OF THE LRP

The implementation of the LRP involves several key stages. The process starts with the disclosure of the LRP to the affected communities, outlining the compensation options available, such as monetary payments, or support for livelihood restoration activities. Feedback is gathered from the community to ensure the proposed measures align with the needs and expectations of the people affected by the Project.

Once feedback is incorporated, individual household-level/PAP agreements will be developed with tailored compensation packages based on each household's specific circumstances. This will ensure that compensation is equitable and relevant to the unique losses of each household. After agreement, a formal compensation package will be signed by both the affected individuals and the Project, ensuring transparency and legal validation.

Vulnerability considerations are also an important aspect of the process, with additional support provided to vulnerable groups to ensure they are not rushed and fully understand their entitlements. Special accommodations, such as home visits or transportation, may be made to ensure accessibility and inclusivity.

Following the sign-off, the Project will deliver the agreed-upon entitlements, including monetary payments, in-kind support, and participation in training programs. A robust documentation system will track the delivery of entitlements, ensuring accountability and transparency. Each transaction will be formally acknowledged, and all records will be securely maintained for auditing purposes.

An implementation action plan detailing action items, responsible parties and timelines for the LRP implementation was developed and is included in this chapter, as well as a LRP implementations schedule.

RESOURCE ARRANGEMENTS

This chapter provides an overview of key roles and responsibilities for the LRP implementation. Key stakeholders include local public administration authorities, communal authorities, APIA (Agricultural Payments and Interventions Agency), the Project developer, the Project's livelihood restoration team, external consultants, and affected people. Responsibilities range from issuing permits, organizing public consultations, and managing land allocations, to designing and implementing livelihood restoration measures, managing grievances, and conducting valuations. External monitoring by the LRP auditor ensures compliance and tracks the successful delivery of commitments. Furthermore, a preliminary budget estimate is provided based on currently known factors for budget calculation purposes. This budget must be adapted as the LRP implementation progresses.

MONITORING AND REPORTING

The Monitoring, Reporting, and Evaluation (MRE) system for livelihood restoration ensures that ongoing activities and outcomes are systematically assessed at regular intervals, providing timely updates on the delivery of compensations and livelihood restoration activities. This process helps evaluate the achievement of key outcomes, identify areas for improvement, and propose corrective actions. Both internal and external monitoring are conducted to ensure effective implementation and transparency. Internal monitoring focuses on evaluating the progress of livelihood restoration, identifying delays, and assessing costs, while external monitoring offers independent assessments of compliance and effectiveness.

A set of indicators is used to measure the progress of the LRP, which includes financial spending, staff involvement, participation rates, and the impact on affected households. These indicators will be tracked quarterly and annually to ensure that objectives are met and adjustments are made as needed. Vulnerability monitoring is a key part of the process, ensuring that vulnerable individuals receive targeted support. This includes monitoring subsidies and tracking the participation of vulnerable households in livelihood restoration activities.

External monitoring, including annual audits and a completion audit, is crucial for assessing the overall effectiveness of the livelihood restoration process and ensuring compliance with project commitments. The completion audit, conducted one to three years after project construction, will verify whether the LRP measures successfully restored or enhanced livelihoods, addressed grievances, and met applicable standards. The completion audit will help determine if the project's compensation and restoration measures were fully delivered and whether livelihoods were restored to pre-displacement levels.

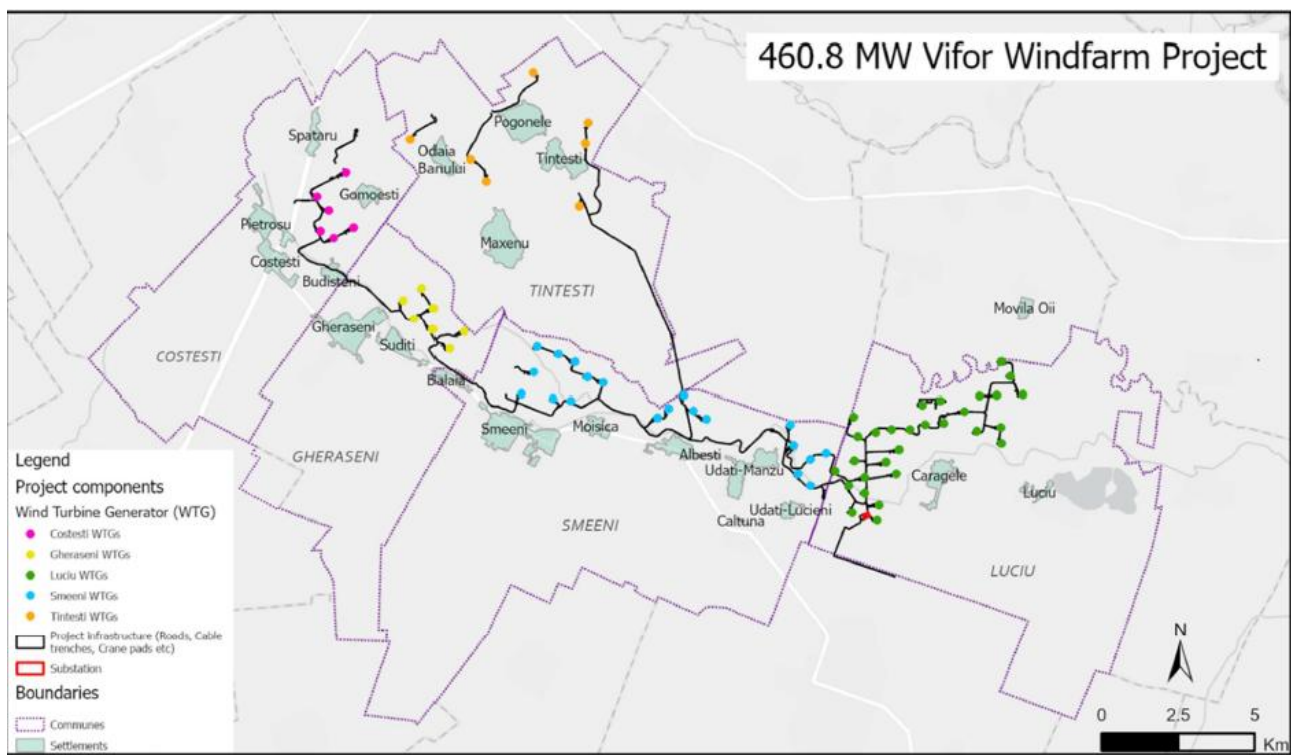
1. INTRODUCTION

This document presents the Livelihood Restoration Plan (LRP) for the 460.8 MW Vifor Wind (former Vis Viva) Farm Project (hereinafter “the Project”), located in Buzau County, southeast Romania being constructed by First Look Solutions S.A (FLS).

1.1 PROJECT LOCATION

The Vifor Wind Project will be constructed on 3,014 ha of land on the administrative areas of Costești, Gherăseni, Smeeni, Luciu and Țințești communes, 6.5 km southeast of Buzau City, in Buzau County. On this land 72 wind turbine generators (WTGs) type 6.4 MW EnVentus Vestas V162 WTGs will be constructed and distribute electricity to the national grid (SEN) through a short overhead transmission line (OHL) from the substation to the 400 kV Cernavodă – Stâlpu Line. Figure 1-1 below illustrates the Project location and provides an overview.

FIGURE 1-1 PROJECT LOCATION AND OVERVIEW



1.2 AREA OF INFLUENCE

The Project area of influence (AoI) for the livelihood restoration component is defined as the area impacted by project components and facilities.

This includes impacts on the land permanently used for wind turbines, substation, access roads, and OHL pylons. Additionally, it encompasses impacts on areas temporarily used for construction and storage activities, such as temporary crane pads and storage areas for erecting of WTGs, borrow pits, topsoil deposit areas and the site compound.

For the overhead line (OHL), a 75 m right of way (RoW), is required by national legislation for establishing the ‘Protection Area’ of the OHL. The OHL AoI is defined in accordance with national legislation, which requires, in addition to the OHL pillar footprint, to have a 3 m corridor along

the OHL axis for stringing of lines. This buffer was applied to account for any potential impacts on the corridor during the construction phase. A buffer of 5m is also established alongside the Project roads on one side to account for potential accidental damage on adjacent lands during construction. This buffer also overlaps with the location of the underground cables which reduces the extent of land surface disturbed.

1.3 PROJECT PARTIES

The Project will be implemented by First Look Solutions S.A. as the Project Company (registered in Romania) for development, construction and operation of the Project. Rezolv Energy will contribute to the Project development, finance, construction and operation, as Project Sponsor/Project Owner.

Additionally, the International Finance Corporation (IFC) and the European Development Bank (EBRD) serve as lenders for the Project. Their involvement ensures that the Project complies with international best practices. Both institutions require adherence to rigorous performance benchmarks designed to promote sustainable development, reduce socio-economic risks, and enhance positive outcomes for affected communities. Their oversight supports transparent project implementation, ensuring that all financial, social, and environmental commitments are met effectively.

ERM Environmental Resources Management SRL (ERM) was contracted by First Look Solutions S.A. (FLS, the Client, the Project Company), as an independent environmental and social consultant to undertake an Environmental and Social Impact Assessment (ESIA) and Livelihood Restoration Framework (LRF) and Plan (LRP) for the Project.

1.4 BACKGROUND

The Project has a long development history, beginning with the initial wind assessment and preliminary design in 2010. The first agreements and permits were obtained from the local regulatory authority in 2012. Since then, several updates have been made to both the design and permits. It is understood that an EIA was not required, allowing the Project to be permitted by local authorities without an impact assessment. The latest design update was completed in May 2023.

The Project ESIA was developed by ERM and was finalized in November 2023 to comply with International Lender Standards. The ESIA report focused on an assessment of the E&S performance of the Project against the following major requirements:

- Relevant national legislation that comes into play for Project's dealing with land acquisition and livelihood impacts
- IFC Performance Standards (PS) (2012), alongside the World Bank Group Environmental, Health and Safety Guidelines for Wind Energy (2015), Environmental, Health, and Safety Guidelines for Electric Power Transmission and Distribution (2007), and General Environmental, Health and Safety (EHS) Guidelines (2007), and
- EBRD Performance Requirements (PR), 2019, set out in the EBRD's Environmental and Social Policy.

This ESIA was further updated in February 2024 following comments from the IFC's due diligence.

The Project was categorized as a 'Category A', meaning it is characterized by potential significant adverse E&S risks and / or impacts that are diverse, irreversible, or unprecedented.

Based on the ESIA (2023) findings and Environmental and Social Due Diligence (ESDD) report developed by Ramboll (2024), the need for the development of a Livelihood Restoration Framework (LRF), subsequently a Livelihood Restoration Plan (LRP) was established. ERM was commissioned by the client to develop the LRF and then LRP in compliance with the mentioned requirements.

The LRF was finalized by ERM and published in October 2024. The present LRP is to provide a structured and comprehensive livelihood restoration and enhancement measures based on the LRF findings and recommendations.

1.5 OBJECTIVES

The Livelihood Restoration Plan is a key element under the lender's requirements (see Chapter 4.3), designed to mitigate adverse socioeconomic impacts from land acquisition or restrictions on affected persons' use of or access to land or livelihoods. The objective of the LRP is to provide guidance for the implementation of the recommended livelihood restoration measures.

The LRP includes several key elements aimed at comprehensive mitigation, including:

- All land users shall be duly identified and compensated for reduction in subsidies
- Providing compensation for loss of assets at full replacement cost (per the definition given by IFC Performance Standard 1 and EBRD's Performance Requirement 5)
- Ensuring appropriate disclosure of information, consultation, and the informed participation of those affected
- Improving or, at a minimum, restoring the livelihoods and standards of living of affected persons to pre-project levels, so as to facilitate sustainable improvements to socio-economic status, and
- Paying particular attention to the needs of vulnerable groups – i.e. older farmers, small-scale farmers, who may be less resilient to change and may be made more vulnerable by Project impacts. Members of vulnerable groups may require special or supplementary displacement assistance because they are less able to cope with change than the general population. Elderly farmers, for example, may not be able to use replacement pasture or deal with increased distance from pastureland to home.

The LRP provides the foundation for adequate compensation process. The LRP includes an entitlement matrix applicable to all Project Affected People (PAP) and seeks to ensure that:

- Farmers can continue to access the same livelihood resources or otherwise livelihood restoration measures will be provided to adequately manage economic displacement impacts.
- Land users will be compensated for the loss of their specific interest in part of the pastureland for a period and assisted in their re-establishment, if required, once the constructions works are completed.
- The Project will compensate for any accidental damage to crops, identified and valued by certified experts.

A certified, independent valuer was appointed to assist the Project in calculating full replacement cost and comparing this against official government rates. The results of the valuation will be discussed with and signed off by affected people via a negotiated approach.

- Engagement will be maintained with PAPs through the process of robust stakeholder engagement, including an effective and accessible grievance mechanism, also applicable to land-related aspects. The grievance mechanism will be maintained during operations to ensure that local communities and stakeholders have an adequate channel to voice concerns and land-related queries and complaints. If feedback is received about stakeholders suffering loss of income or subsistence that affects living standard, the Client will establish appropriate measures to understand the impacts and work with stakeholders to develop appropriate additional mitigation.
- The Project will assist farmers through livelihoods restoration programs, including measures to increase productivity of residual holdings.

1.6 SCOPE

The scope of the LRP encompasses all activities and measures necessary to mitigate the socio-economic impacts caused by the implementation of the Project. It includes actions aimed at restoring, improving, and enhancing the livelihoods of project-affected households (PAH) whose economic and social well-being may be disrupted by the project's activities.

The LRP addresses the following areas of impact:

- Land Acquisition: Compensation and support for landowners whose lands are acquired for the project.
- Economic Displacement: Support for individuals and households whose income-generating activities are disrupted, including loss of land access and subsidies, including penalties that may be caused by the Project.
- Livelihood Restoration: Measures to restore pre-project levels of income, employment, and access to essential services.
- Vulnerable Groups: Special assistance to ensure vulnerable individuals and households are not disproportionately affected.

The LRP covers both the planning and construction phases of the Project with implementation extending into the operational phase. Geographically, it covers all areas where project-related activities cause economic or social disruption. The LRP does not cover impacts unrelated to project activities, such as natural disasters or unrelated economic downturns. It focuses solely on project-induced changes requiring livelihood restoration interventions.

1.7 DOCUMENT OVERVIEW

The LRP includes the following components:

- Project Description; including description of components, alternatives assessed and current project status;
- Methodological approach utilized for the development of this LRP; including description of primary and secondary data collection; approach to impact identification and assumptions and limitations;

- Legal framework, including an analysis of local legislation, IFC PS 5 and the gaps between the two;
- Socio-economic baseline data for the affected communities;
- Socio-economic survey results of affected households;
- Identification of Project impacts on land and livelihoods;
- Criteria used to determine eligibility for entitlements and development of the entitlement matrix;
- Description of livelihood restoration and improvement measures;
- Stakeholder Engagement;
- Grievance Management;
- Implementation of the LRP;
- Implementation Roles and Responsibilities and Budget; and
- Monitoring, Reporting and Evaluation.

2. PROJECT DESCRIPTION

The following Chapter will provide details on the Project description, including components, land requirements and status.

2.1 PROJECT OVERVIEW

The Project is developed in Buzau County, south-east of Buzau City, on the administrative areas of Costești, Gherăseni, Smeeni, Luciu, and Țintești communes being located mainly in Călmățui River meadows, partially overlapping the Natura 2000 sites ROSCI0259 Valea Călmățuiului and ROSPA0145 Valea Călmățuiului. The project also encompasses some land owned by Pogoanele Town Council and Cilibia Commune within Luciu). Pogoanele and Cilibia own land which is under Luciu's administrative jurisdiction, however the territorial jurisdiction lies with Pogoanele and Cilibia.

The Project comprises five sub-projects, which have separately followed the national urban planning and environmental permitting procedures. The Project includes 72 WTGs type 6.4 MW EnVentus Vestas V162 WTGs, resulting in a total capacity of 460.8 MW.

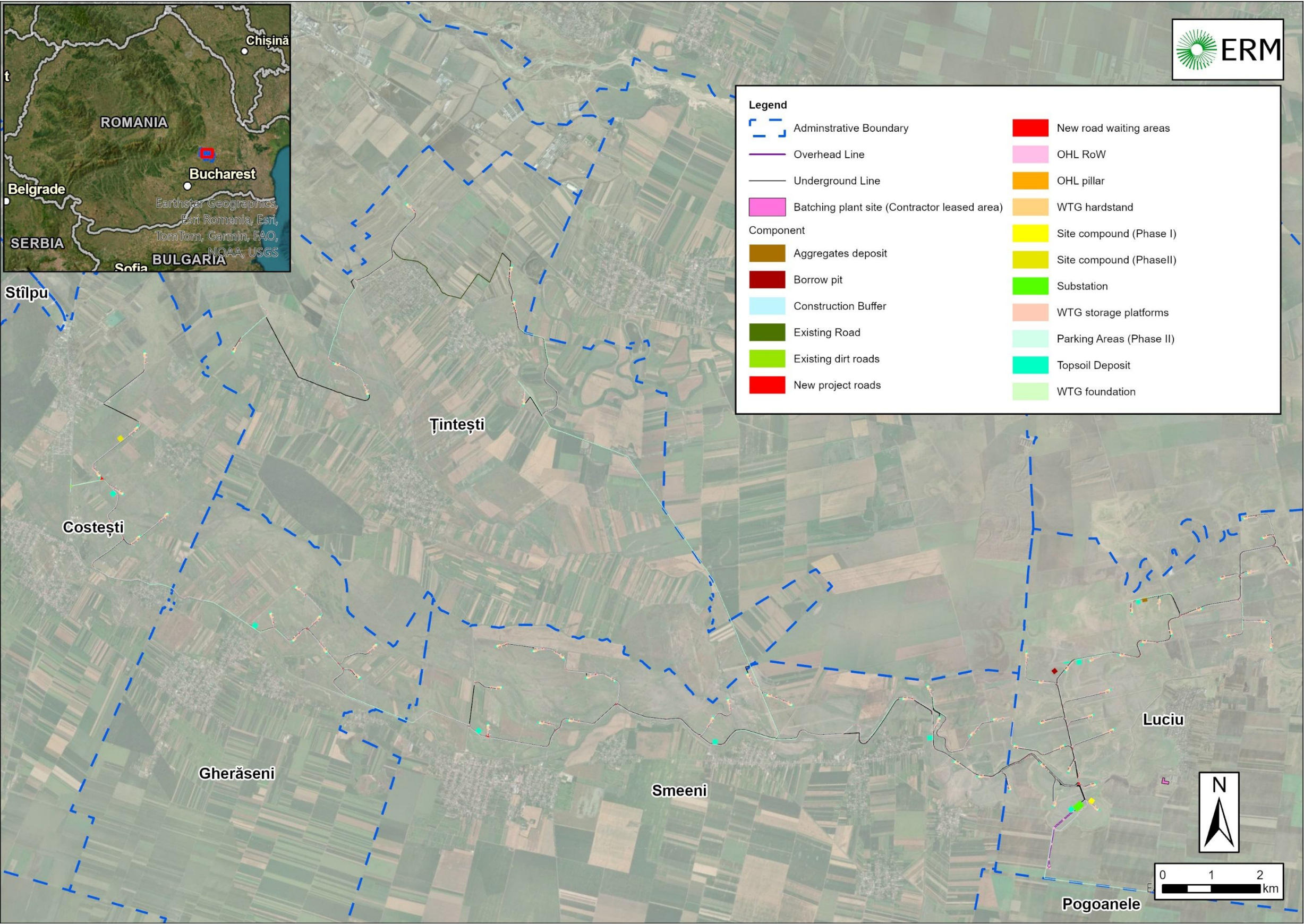
All WTGs will be connected via underground cable lines to a single transformer station, and from there through a 1.2 km long OHL to the national grid. The wind farm will be served by a network of existing agricultural roads and newly built access roads, along which the underground cable lines will be installed, and which will include as the main road artery an East-West construction corridor. Thus, impacts from underground cables will be of temporary nature.

Construction commenced in mid-July 2024 for the Luciu sub-Project (Phase I). Components of the remaining communes will be constructed afterwards and are part of Phase II of the Project. The overall construction period will last for up to three years and will be completed in stages. Estimated Project operation period is up to 35 years.

According to the Romanian regulations, environmental permitting is required for the Project. Permitting of each of the sub-projects was initially done in 2010-2012, with updates in 2017. The Project re-permitting has been initiated in 2021.

Figure 2-1 below presents the Project layout.

FIGURE 2-1 PROJECT LAYOUT



Source: ERM, 2025.

2.2 PROJECT COMPONENTS

This section provides an overview of the key components involved in the Project. It details the essential permanent facilities and components, as well as the temporary construction areas and facilities necessary for the Wind Farm development and operation.

2.2.1 OVERVIEW OF COMPONENTS

The table below provides a detailed overview of all temporary and permanent components of the Project. It specifies the land area required for each component or facility, ensuring a clear understanding of the spatial requirements for both construction and operational phases. This comprehensive presentation of land use is essential for planning, management, and the implementation of mitigation measures.

TABLE 2-1 PROJECT COMPONENTS OVERVIEW

Component	Impact Type	Count	Component Area (in ha)
WTG foundation and hardstand	Permanent	72	15.219
OHL pillars		8	0.097
Substation		1	2.653
Existing dirt roads (expansion & upgrade)		10	11.486
New project roads		33	35.370
OHL Line (area required for stringing of power lines between pillars during construction)	Temporary	1	1.590
Existing road (no expansion & upgrade)		1	1.340

Component	Impact Type	Count	Component Area (in ha)
New road waiting areas (designated spots alongside roads where construction delivery trucks temporarily wait to avoid blocking traffic)		45	2.250
WTG storage platforms		72	34.946
Aggregates deposit		1	0.703
Borrow pit		1	0.869
Site compound (Phase I)		1	1.005
Site compound (Phase II)		1	1.005
Topsoil deposits*		81	15.783
Parking areas (Phase II)		1	0.362
Batching Plant	N/A (Vestas entered in a lease agreement with the private land owner, which is assessed as not triggering economic displacement or resettlement impacts)	1	0.95 (not considered in LRP calculations)
Construction buffer**	Temporary	1	44.535

Source: ERM, based on client data, 2025.

*72 at each WTG location & 9 other designated areas

**5m along right or left side of permanent roads, as per underground cable lines layout plan

Note: underground cable lines are planned along the areas of roads between each WTG and the project Substation;

TABLE 2-2 PROJECT FOOTPRINT SUMMARY* (HA)

Footprint of Project (all components)	121.159ha
Footprint of Project (all components, including Construction Buffer)	165.699ha
Footprint of Permanent impact of components	64.277 ha
Footprint of Temporary impact of components	59.707 ha
Footprint of Potential impact (Construction Buffer)	44.535 ha

**As some components overlap, the total areas presented above are not the arithmetic sum of the Table 2-1 above. Instead, it was calculated based on the actual components' footprint on the ground in ArcGIS Pro, using Client data.*

No further land acquisition is deemed to be required for the Project at the time this LRP was finalized. In case additional land acquisition is necessary as the Project progresses, this will be conducted in line with the spirit and commitments of this LRP and supported by an LRP addendum, in line with IFC PS5 and applicable national law.

2.2.2 PERMANENT PROJECT COMPONENTS

The major permanent facilities and components of the Vifor Wind Farm Project comprises of the WTGs and associated crane placement balast platforms, substation, underground cable lines and OHL, existing roads and additional access roads including the construction corridor, culverts and small bridges. These permanent facilities and components are described in the following sections.

2.2.2.1 WIND TURBINE GENERATORS (WTGS)

Vestas Company produces the wind turbines selected for the Project, type 6.4 MW EnVentus Vestas V162 WTGs, with a tower height of 166 m and a rotor diameter of 162 m. A total of 72 WTGs will be used for the Project resulting in a total installed power of 460.8 MW.

The construction of each WTG will require a permanent WTG foundation with a hardstand requiring an area of 2113.8 m². Total surface of the reinforced concrete foundations for the Project's 72 WTGs and associated hardstands, will be 15.21 ha.

The WTG foundation and crane pad, OHL pillars, substation, new and upgraded roads have a permanent impact on lands. All other components (underground cable lines and pre-assembly platforms) shown in Figure 2-2 below are of temporary nature and are further described as such in section 2.2.3.

FIGURE 2-2 TYPICAL WTG AND ASSOCIATED WORKING PLATFORMS



Source: ERM, using client data, 2024

2.2.2.2 SUBSTATION

The 33/400 kV central power collection station (hereinafter referred to as substation) will be located in Luciu commune, on a 2.65 ha land plot owned by the Pogoanele Town Local Council. Energy produced by the WTGs will be transferred via 33 kV underground cable connection lines (UCLs) to the substation. The substation raises the voltage level to 400 kV for connection to the national grid (Sistemul Energetic National – SEN), via the OHL. Figure 2-3 below presents the substation layout.

FIGURE 2-3 SUBSTATION AND 400 KV OHL CONNECTION TO NATIONAL GRID



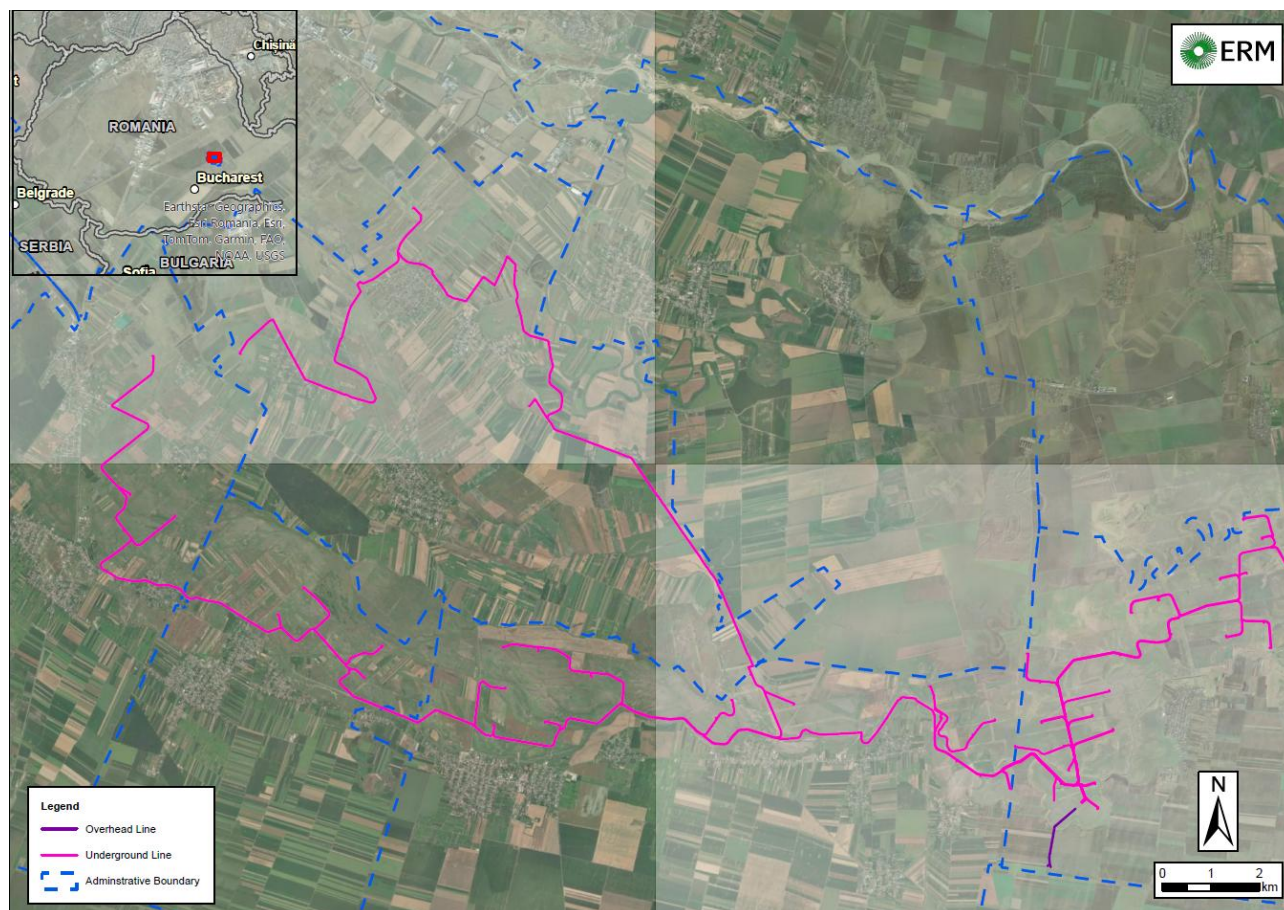
Source: ERM, using client data, 2024

2.2.2.3 UNDERGROUND CABLE LINES

The underground cable lines (UCLs) with a voltage of 33 kV are designed to interconnect the WTGs with each other and the main substation, forming a critical component of the Project's electrical infrastructure. The UCLs will be strategically positioned along existing roads as well as newly constructed access roads to ensure efficient and organized installation and minimize impacts on the surface. The cables will be buried at a depth of up to 2.0 meters to ensure safety and durability, with a total length extending to 79.5 km. This layout has been planned to minimize environmental and land-use impacts while providing reliable connectivity between Project components. Due to their underground location, the impact of UCLs will be of temporary nature, even though the UCLs are a permanent Project component.

Figure 2-4 below presents the Project transmission system consisting of UCLs and OHL.

FIGURE 2-4 PROJECT TRANSMISSION SYSTEM



Source: ERM, 2025, based on Client Data.

2.2.2.4 OVERHEAD TRANSMISSION LINE (OHL)

The substation will be connected to the national grid through a 1.2 km long OHL. FLS will build the 400kV OHL and hand over to Transelectrica for operations once the line is installed and commissioned. The OHL is supported by 8 pylons, five of them being located on agricultural land and three on the pastureland under ownership of Luciu commune administration. The 5 pylons located on agricultural land were secured via 11 willing buyer willing seller purchase agreements with individual private owners in 2022. The 8 pylons will occupy a surface of 121m² each, leading to a total surface of 968 m². The legal land rights for the Right of Way (RoW) of the OHTL are granted by the Energy Law and are exercised without registration in the Land book for the whole duration of the project.

The Right of Way (RoW) of transmission line refers to the legally designated strip of land that provides space for installing, operating, and maintaining high-voltage transmission lines and their supporting structures. It ensures that the utility company has clear access to the area for maintenance and emergency repairs while keeping a safe distance between the OHL and nearby activities, structures, or vegetation. The width of the RoW depends on factors such as the voltage of the line, local regulations, and safety standards, as higher-voltage lines require wider clearances to prevent electrical hazards.

According to the Romanian Technical Norm approved by Order No. 239/2019, the RoW passage corridor is set at 75 meters for 400 kV lines.

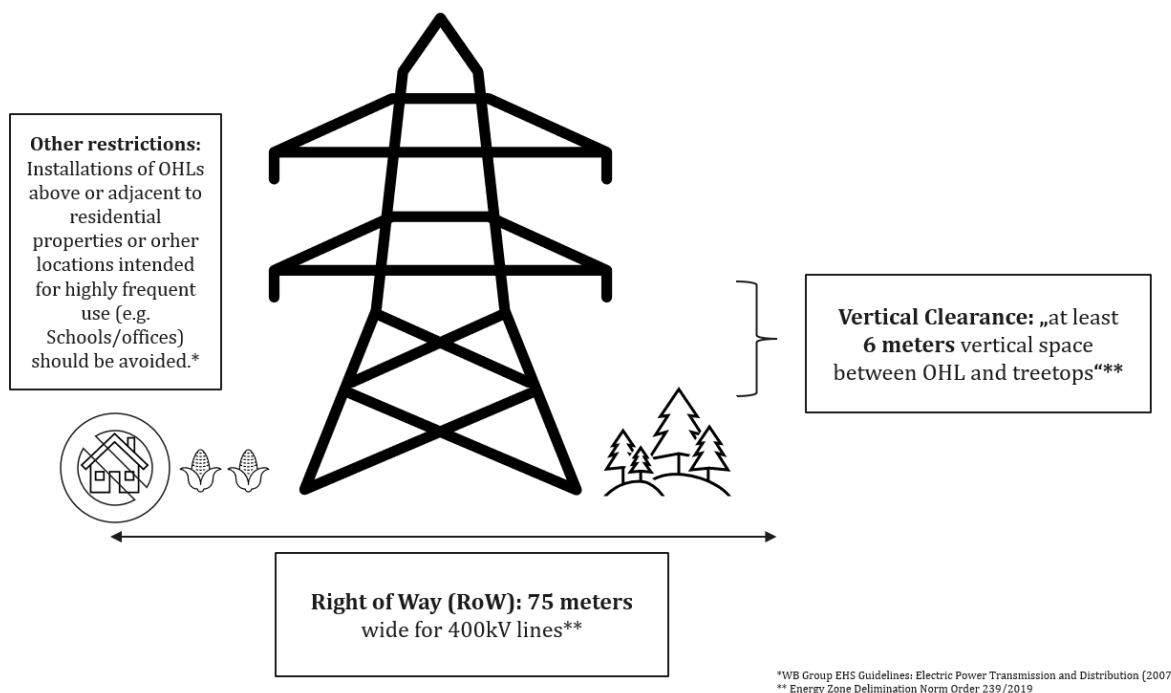
Within the RoW certain access and use restrictions apply. These are set out in Article 42 and 49 of the Energy Law and include prohibition:

- to build anything in the safety zone,
- to create plantations or forest vegetation in the safety zone
- to store materials on the access ways
- to make any interventions towards the RoW, including to deteriorate the constructions, fences
- to limit access to the RoW

Access and use restrictions in the RoW of OHLs are essential to ensure safety, operational reliability, and regulatory compliance. High-voltage OHLs pose significant hazards, including risks of electrocution, fire, and falling objects, which these restrictions mitigate. They also prevent interference with the infrastructure, ensuring uninterrupted power supply and allowing utility companies to maintain clear access for inspections and repairs. Vegetation management and prohibitions on unauthorized structures or activities reduce risks of outages, fires, and accidents.

According to national provisions and international standards the following access and use restrictions apply for the OHL as presented in Figure 2-5 below. Further information on applicable legislation defining access and use restrictions is provided for in Chapter 4.

FIGURE 2-5 APPLICABLE OHL ACCESS AND USE RESTRICTIONS



Source: ERM, 2025.

2.2.2.5 ACCESS ROADS

Various access roads are needed to reach the WTGs on the pastureland. There are three types of roads identified for the Project internal roads:

- New access roads
- Upgraded existing roads

As per the issued building permits, the roadworks should occur within the 4.5 m section of the legal RoW. However, the project has defined a 5m buffer alongside one side of the road where the underground 33 Kv cable will be laid, to account for contractors potentially working beyond the RoW and causing accidental damage to crops. The buffer is defined as a conservative measure totaling an area of 44.5ha and is a mitigation tool to ensure any accidental damage is treated in line with the LRP and as per the Project's Accidental Damage Protocol (Appendix H). Refinement of road designs is on-going in some areas and it is expected that a small portion of private lands may be impacted by the project (approx. 0.59ha) due to enlargement of some portions of the access roads. Should this land requirement be confirmed, land acquisition and compensation will be undertaken in line with this LRP and the applicable standards.

It has meanwhile been confirmed by FLS (status March 2025) that no further land acquisition is required for the Project roads.

Table 2-3 below shows further information on Project roads.

TABLE 2-3 NEW AND UPGRADED ACCESS ROADS

Road Type	Total Area (in ha)	Total Width (in m)
<i>Upgraded Roads</i>	<i>11.486</i>	<i>4,50 m</i>
<i>New Roads</i>	<i>35.370</i>	<i>4,50 m</i>
<i>Total</i>	<i>46.856</i>	<i>4,50 m</i>

Source: ERM, 2025, based on client data.

2.2.2.6 TRANSPORTATION ROADS

As per the Traffic Management Plan prepared by Vestas in November 2024, the Project components will be transported via road from Constanta Port to the Project site in Buzau country. According to the latest Vestas Route Survey (February 2025) no additional land take is required for the project for transportation roads.

The scope of this LRP does not cover the impacts on land along the transportation route. However, the Project commits to applying the principles and compensation mechanisms set out in this LRP to all displacement impacts caused by the road improvements described in the Vestas Traffic Management Plan. It has meanwhile been confirmed by FLS (status March 2025) that no further land acquisition is required for the Project.

2.2.2.7 CONCRETE BATCHING STATION

Based on the information provided by the Client, one concrete batching station (CBS) will be needed for the entire Project. The CBS, operated by SC OPENTRANS BETON SRL, will be installed

on the southeast side of an agricultural site, formerly used for pig husbandry, located on the south side of Caragele village (Luciu commune). The site has direct access to County Road 2031, which connects the villages of Caragele and Pogoanele.

The CBS site consists of seven warehouses, most of which are heavily damaged, and several other administrative and service buildings (offices, thermal point, water extraction and treatment infrastructure, etc.). Most of the buildings present on site are in an advanced state of decay. Currently the site is inactive, with no commercial activity being performed. The heating on site was formerly coal based, an aspect that was shut down together with the rest of the operations.

The main parts of the CBS are aggregate loading bunker, aggregate storage bunker, 3 80m³ cement silos, weight automated feeders for water, cement and aggregate, mixer and a front-loading bulldozer for aggregate handling. The general layout of a batching plant is presented in **Error! Reference source not found.** below. The CBS will utilize mainly electrical energy supplied from the grid but will also have an additional backup diesel generator paired with fuel storage for it and the site bulldozer.

FIGURE 2-6 CONCRETE BATCHING STATION



CBS Design



CBS Location

Source: ERM based on data received by Rezolv, 2025.

Luca Prest, Vesta's contractor, entered into a lease agreement with the private entity owning the farm for the utilization of the Project designated area and for the utilization of the main access road, the electrical infrastructure and the water extraction well already existing on the site. The land take impacts of the batching plant are not considered within the scope of this LRP but are assessed against PS5 requirements as part of the Risk screening for the CBS location undertaken separately by Vestas.

The batching plant will be located on a private site that was previously used for pig husbandry by a private entity. Vestas entered in a lease agreement with the owner, which is assessed as not triggering economic displacement or resettlement impacts.

2.2.3 TEMPORARY PROJECT COMPONENTS

Construction of the Project requires several temporary facilities that will be removed after the construction phase, and affected areas will be reinstated to the original conditions. These temporary construction facilities include the following:

- WTG storage platforms
- Site Compounds
- Topsoil deposits;
- Aggregate deposits;
- Borrow pit;
- Concrete batching station;
- OHL Line
- New road waiting areas
- Parking areas;

Temporary Project components are described in the sections below.

2.2.3.1 TEMPORARY CONSTRUCTION AND STORAGE AREAS

A pre-assembly platform and a bearing platform will be installed for each of the WTGs. During the erection, these will serve as an installation area for the crane as well as an assembly and storage area for parts of the WTG to be installed. Based on the latest geospatial information provided by the Client (January 2025), the total surface of temporary construction and storage areas will be 59.708 ha and includes WTG storage platforms, OHL disturbed area, new road waiting areas, borrow pit, site compounds, parking areas, temporary disturbed areas.

2.2.3.2 TOPSOIL AND AGGREGATE DEPOSITS

Topsoil deposits are designated areas where the top layer of soil is temporarily stored during excavation or land-clearing activities. For each sub-project, temporary lay-down areas will be established as topsoil deposits, with a total surface area of 15.78 hectares. Aggregate deposits are designated areas for accumulated materials during construction. The Project Aggregate deposit has a total surface area of 0.7 ha.

2.2.3.3 OTHER

All temporary site offices, warehouses, workshops, surrounding fences around respective facilities will be constructed in accordance with relevant Romanian and international requirements of occupational health and safety.

No worker's accommodation camps are required for the Project. Non-local workers will be accommodated in local hotels and similar establishments.

2.3 ASSOCIATED FACILITIES

Associated Facilities are defined as infrastructure, services, or activities that are not funded as part of a given project but are:

- Directly and significantly related to the Project: The associated facility must have a clear and direct connection to the primary project. It is usually created, enhanced, or utilized specifically to enable the functioning of the Project.
- Necessary for the Project to function: If the main Project cannot operate without the associated facility, it is considered integral.
- Constructed or operated contemporaneously with the Project: The timing of the associated facility's development is closely aligned with the main Project. This ensures that its existence

is tied directly to the Project lifecycle rather than being an unrelated or pre-existing structure.

Since all Project components are included in the loan agreement, there are no associated facilities identified for the Project.

2.4 PROJECT ALTERNATIVES

Several Project alternatives were considered during the Project ESIA to minimize socio-economic impacts.

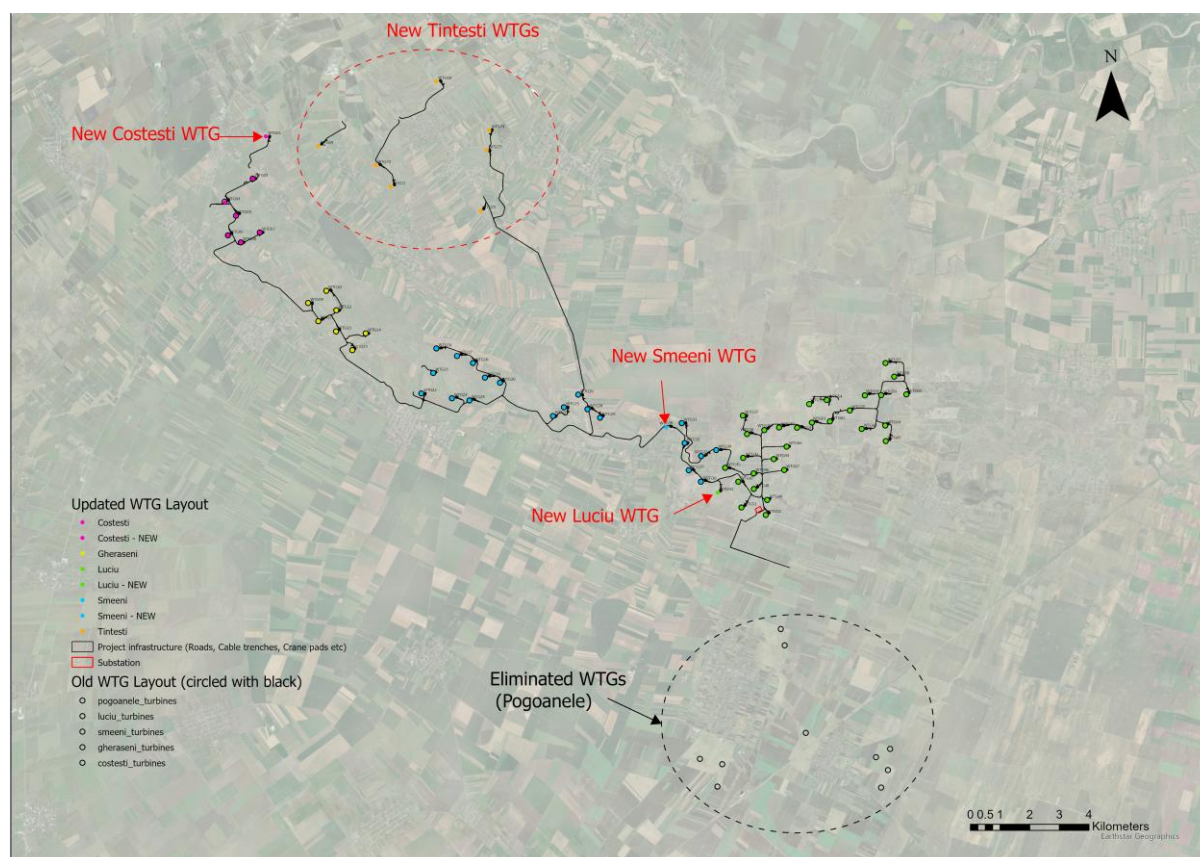
2.4.1 PROJECT LAYOUT

The Project sites were chosen for their ample land with consistently high wind yields and distance from residential areas, as well as good access to existing road infrastructure. Development began in 2010 with wind assessments and the initial design of the VisViva Wind Farm. By July 2020, the Client acquired development rights to the Vifor Wind Farm, initially comprising seven sub-projects. Technical modifications in 2020 and 2022 increased turbine power to 6.2 MW while reducing the number of turbines from 85 to 72, leading to the exclusion of the Țintești sub-project. In May 2023, the layout was revised, reallocating turbines from Pogoanele II to Țintești, Costești, Smeenii, and Luciu. Environmental mitigation included removing and relocating turbines to reduce community and flora impact, replanning 35 km of roads, and laying 8 km of underground cables under existing roads to protect local bat populations. In addition, the following criteria were taken into consideration for environmental and social mitigation in selection of the current layout, compared with the initial layout:

- A number of WTGs were removed from initially considered layout to lessen the impact on local communities and local protected flora;
- 2 WTGs were moved in order to lessen the impact on local communities;
- 35 km of roads were replanned in order to optimize built areas;
- 8 km of underground cables will be laid under existing local roads to minimize the impact on local bat population and lands of local communities.

Figure 2-7 below shows the WTGs that were eliminated for lesser socio-economic impacts.

FIGURE 2-7 CHANGES IN THE PROJECT LAYOUT (2023)



Source: ERM, 2023.

2.4.2 TECHNOLOGY ALTERNATIVES

Since its initiation in 2010, the Project has undergone several design and turbine upgrades. Initially, Vestas turbines with a total power of 5.4 MW were selected. In 2020, major modifications introduced the Vestas EnVentus V150-6.0 MW turbines, with increased efficiency, fewer turbines, underground cable lines, and a single power collection station. Further changes in 2022 incorporated Vestas EnVentus V162-6.2 MW turbines, enhancing power and efficiency, with a total of 72 turbines and an installed capacity of 446.4 MW. In 2023, turbine capacity was increased to 6.4 MW, bringing the total installed power to 460.8 MW across 72 turbines.

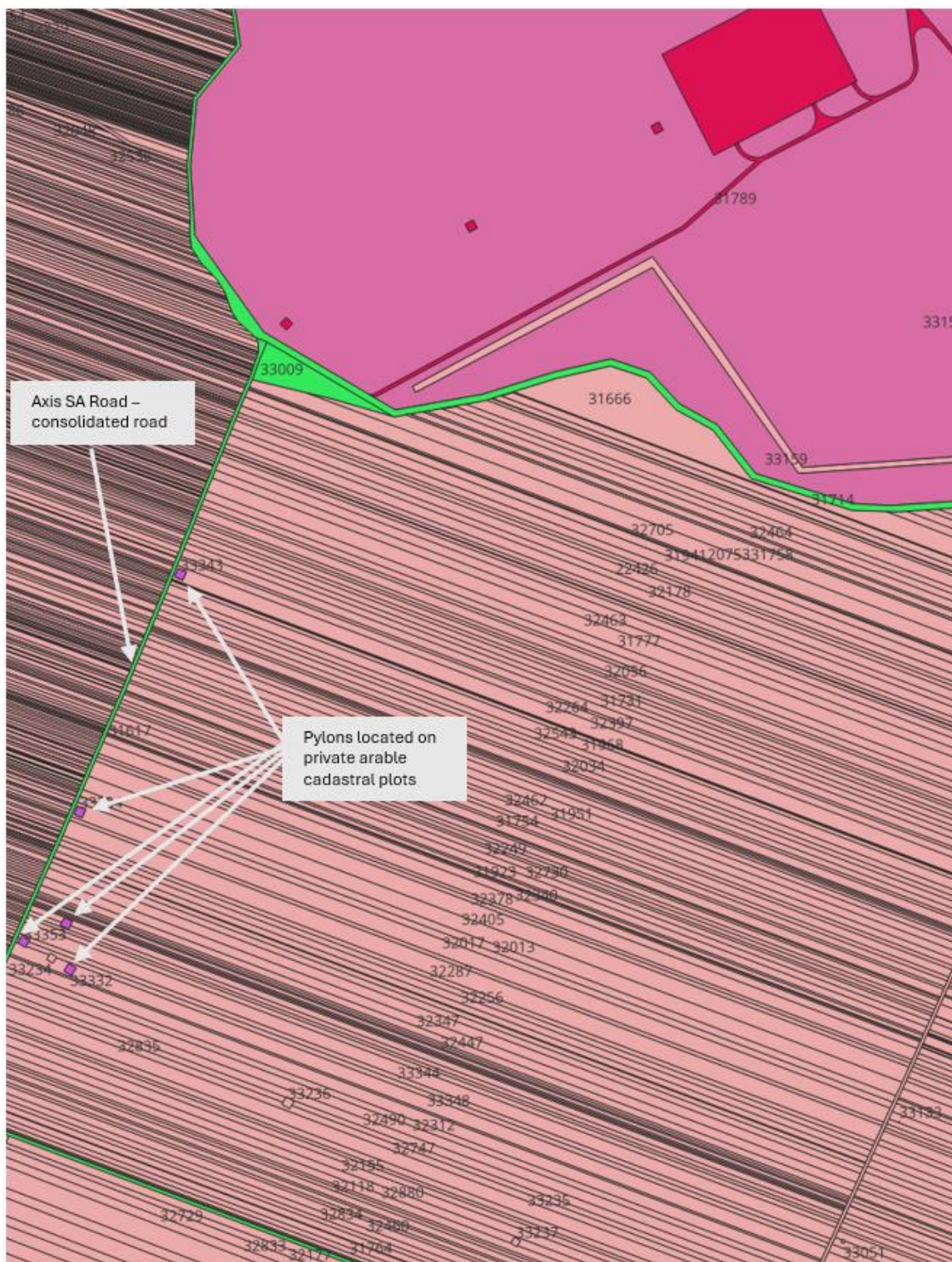
2.4.3 TRANSPORT ROUTES

The transportation and traffic plan for the Project includes routes for transporting components from Constanța Port to the Project sites and local and regional roads for supply and worker travel. A Transportation Route Survey Report (2020) by Holleman for Vestas Central Europe evaluated three alternative routes from Constanța Port to the Project area, considering the size of wind turbine components, road characteristics, and potential modifications or impacts. Local transportation routes include existing public roads and internal Project roads connected to them, with all internal roads remaining accessible to the public.

2.4.4 OHL ROUTE

With regard to the selection of the OHL line, the shortest distance connecting the sub-station to the main grid was chosen. Consideration to reduce impact on agricultural land was taken and the selected route largely runs along the land parcels boundaries alongside the RoW of the road as can be seen on Fig. 28 below.

FIGURE 2-8 ROUTE OF THE OHL



Source: FLS, 2025

2.4.5 NO PROJECT ALTERNATIVE

The "No Project" alternative assumes the project will not be developed, leaving the site unchanged. This would avoid the anticipated environmental and social impacts identified during scoping, though these impacts would still require further investigation and mitigation in the ESIA process if the project proceeds. However, canceling the project would also forfeit significant benefits, including contributions to renewable energy targets, greenhouse gas reduction, and natural resource conservation. Local communities would miss out on job creation, landowner compensation, increased tax revenues, and economic development. Additionally, energy security improvements, reduced reliance on external energy sources, and cost-effective clean energy production would not be realized, along with associated environmental and socio-economic gains.

2.5 PROJECT STATUS

The Project is ongoing, with Phase one construction activities already underway, primarily impacting pastureland within Luciu Commune. The Project status information presented in the LRP reflects conditions as of January 2025. As the Project advances, the implementation of the LRP will continue to evolve in alignment with the Project's progress and emerging needs.

2.5.1 PROJECT PHASES

The Project will be implemented in two phases. Phase one will focus on the construction of key Project components within the Luciu and Pogoanele and Cilibia-administered land in Luciu commune. Phase two will comprise the development of the remaining Project components located in Smeeni, Gherăseni, Costești, and Țintești communes, ensuring the full realization of the Project's scope.

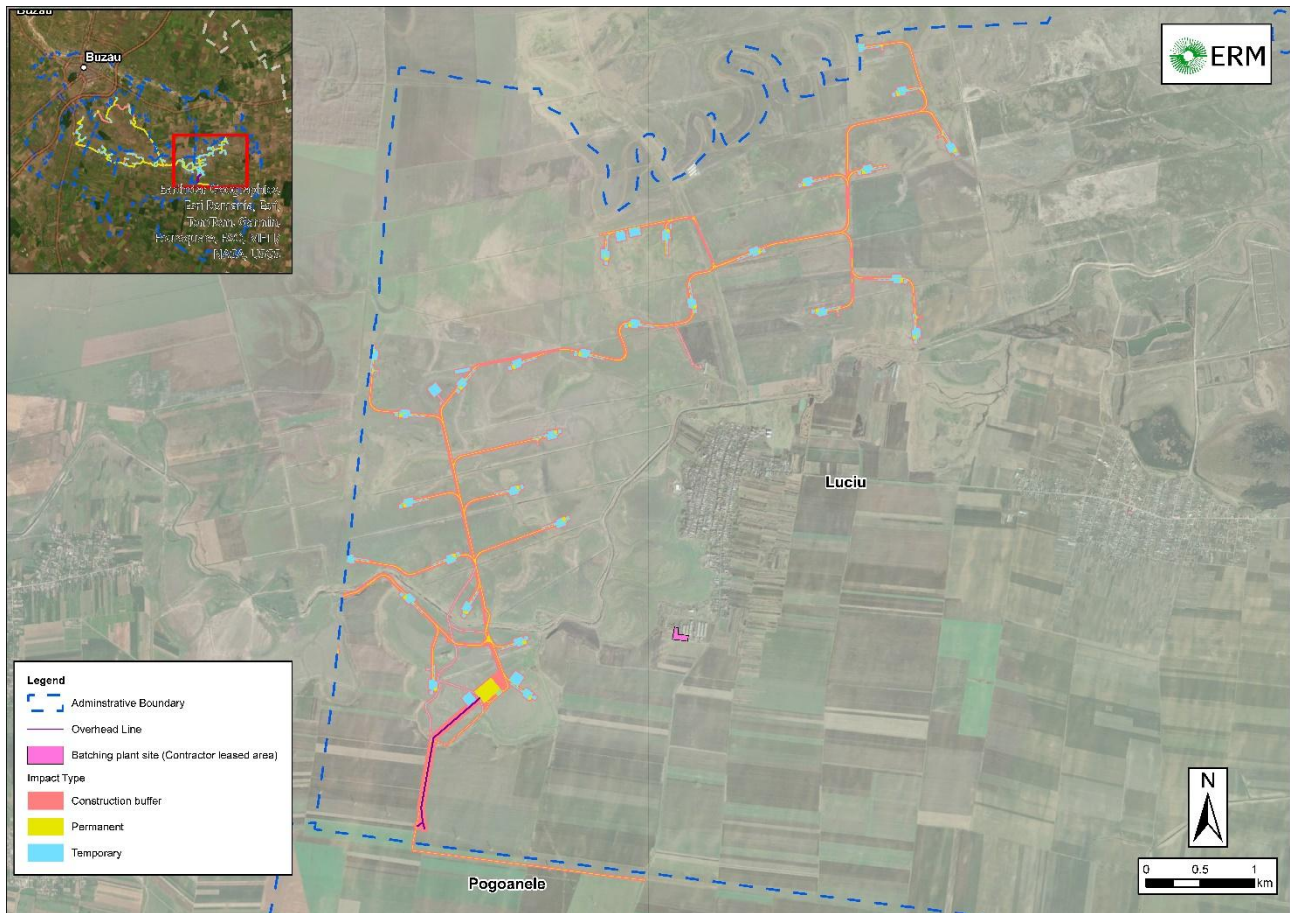
2.5.1.1 PHASE I

The Project started the first phase of construction in Luciu in June 2024. Phase I includes the construction of the following components located in Luciu commune (and on land located in Luciu commune that is owned by Pogoanele Town and Cilibia Commune):

- The substation
- New and upgraded access roads
- WTG foundations
- Crane Pads
- Topsoil deposits
- Underground Cables
- Overhead Transmission line (OHL)
- The concrete batching station (CBS)

Figure 2-9 below shows Phase I of the Project.

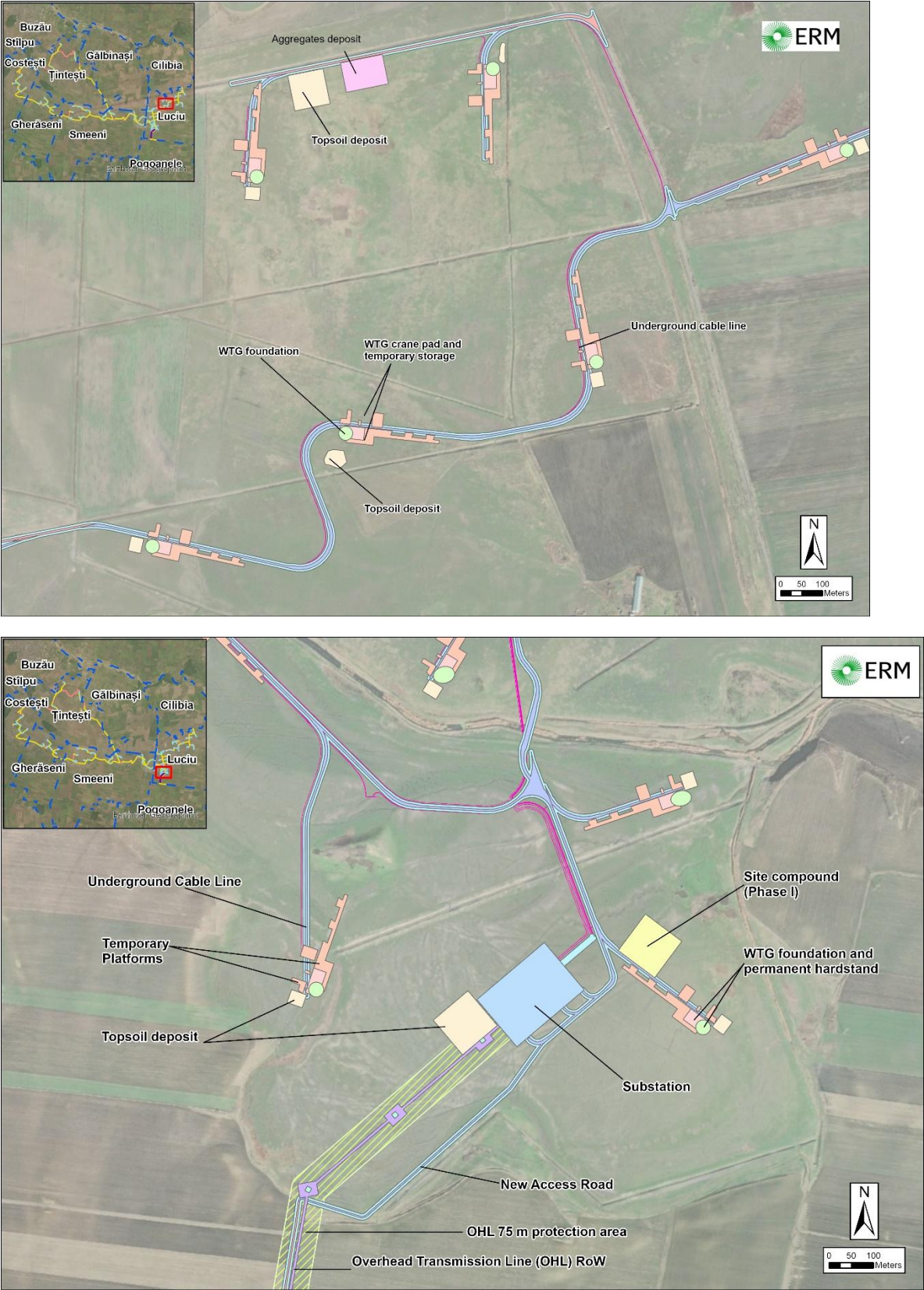
FIGURE 2-9 PROJECT PHASE I OVERVIEW



Source: ERM 2025, based on client data.

Figure 2-10 below shows a detailed map of the Project components for phase I. Please note, that the components for all WTGs are similar to the ones presented in the overview map.

FIGURE 2-10 PROJECT LAYOUT (DETAIL) PHASE I



Source: ERM 2025, based on client data.

2.5.1.2 PHASE II

The second project phase is expected to commence in mid-2025 and encompasses all Project components situated in the remaining communes: Smeeni, Gheraseni, Costesti, and Tintesti. Components to be constructed in these areas include the following:

- New and upgraded access roads
- Underground cables
- WTG foundations, and temporary areas such as crane pads, Phase II site compound and topsoil deposits.

Figure 2-11 below presents an overview map of all components belonging to Phase II of the Project.

FIGURE 2-11 PROJECT PHASE II



Source: ERM 2025, based on client data.

2.5.2 CURRENT STATUS

Since the Project is ongoing, its status is subject to continuous change. However, below are the current Project status updates as of January 2025.

2.5.2.1 OPENING CEREMONY AND INFORMATION DISCLOSURE

The construction site was officially opened on 17th June 2024 with a ceremony. Part of the ceremony were mayors of all communes and Project staff. Project personnel was being mobilized

to site thereafter and civil works were scheduled to commence on the week commencing 1st July but were moved to the 15th July 2024.

The EPC contractor accessed the land for the Luciu sub-project and started ground levelling works. While there was no LRF or LRP in place at the time when the land was accessed, the Project and local CLO in cooperation with mayors informed the local communities about the current Project status and the planned engagements for the LRP development. An official notice was further shared with the Animal breeders Association of Luciu, whose members were the main land users impacted by the construction works, informing them about the start of the works.

Figure 2-12 below presents documentation of opening ceremony and the current work status of the land at Luciu commune, on which the substation component is planned.



FIGURE 2-12 OPENING CEREMONY AND CURRENT PROJECT STATUS AT LUCIU COMMUNE

The Project notified the Communes of the land access formally prior to the opening ceremony and posters were placed at the site entrances with information regarding the project construction and land access. In addition, formal notification of commencement of works on site was sent to the Luciu Commune officials as well as the Sheep Farming Association impacted by phase one of the Project. The same approach will be taken for other communes impacted in the second phase of the Project.

Lastly, the Project grievance mechanism is operational, and communes have access to the CLO details. This information, together with general Project information and basic information regarding the LRP development, were included in a flyer that was developed as part of the LRF/LRP workstream. This flyer was shared during preliminary community engagement meetings and will continue to be used in upcoming site access and circulated to the EPC contractor to share with any farmers they encounter during the land access process.

2.5.2.2 CONTRACTS IN PLACE

The Project has obtained all necessary local contracts and licenses required for its implementation in compliance with applicable legal and regulatory frameworks. Details of these agreements, including their specific terms and conditions, are further described in the sections below.

Agreements for Compensation of Crop Damage from OHL Construction

For the land impacted by the OHL, contracts have been set up for the respective land users impacted temporarily during construction of the five pylons located on private land and the RoW. The contracts outline the terms and conditions under which the land will be utilized, including compensation, timelines, and any required land modifications.

The contracts outline that land required for the construction of the OHL may impact crops within the affected area. Compensation for these impacts will be calculated based on the unrealized crop production value, in accordance with the current valuation prices for agricultural products in the region as outlined in the project's Independent Valuation report completed in January 2025. Payments are to be made within 15 days of completing the land measurements after the works, directly to the leaseholders' bank accounts as specified in the contract. This is in line with local regulations for works impacting OHL RoW that guided land access at the start of the project and that are applied to the 2 PAPs impacted by the OHTL. The project is aware of the need to align process with PS5 and to facilitate payments prior to land entry where land entry has not yet occurred and will apply this approach as appropriate going forward.

Presently, two farmers use the private land in the temporarily affected area for the construction of the OHL tower foundations. Of these, one has signed the agreement, while the other has not yet agreed to the terms. While he declined to submit an official grievance, the project has noted this disagreement in the Grievance log and discussions to resolve the issue with the impacted PAP are on-going.

Lastly, nine public land plots are impacted by the OHL, for which use rights have been secured from Luciu commune. This land is currently leased to animal breeders for grazing and all land users have been identified and informed about the Project impacts.

Contracts with the Administrative Territorial Units

Agreements with Administrative Territorial Units (ATU) include joint venture agreements and agreements establishing usufruct rights for the pastureland where the permanent project components are located, totaling 2,925 ha.

Tecon SRL was the original signatory of these agreements. However, following the initial signing, Tecon transferred all its rights and obligations stemming from these agreements to First Look Solutions SRL. This transfer was conducted with the explicit approval of the relevant ATUs, ensuring that the change in parties was formally acknowledged and aligned with legal and administrative requirements. The obligations toward the ATU include the provision of free electricity, up to 10,000 kWh annually, for public lighting and public institutions throughout the wind park's operational life.

The land will retain its designation as pasture, with 94.45% of the original area remaining intact and only a small proportion removed from agricultural use (WTG foundations, substations and new roads). Ownership of the land will remain with the ATU, and unaffected portions can continue

to be used for agricultural purposes without interfering with the construction, operation, or development of the wind park. Furthermore, the ATU retains the right to enter into agricultural exploitation contracts without requiring approval from the developer. Participation quotas and compensations owed to the local councils are clearly defined, ensuring fair financial benefits for the ATU.

Additionally, right of use agreements for the existing public roads and channels were concluded with each ATU and relevant authority, totaling 89,32 ha.

2.6 SUMMARY OF PROJECT IMPACTS

The Project is constructed on land owned by the local councils of Pogoanele town and Costești, Gherăseni, Luciu, Smeeni and Țintești and Cilibia communes, secured via association in participation in contracts concluded with the Local Councils of each ATU. The affected land is primarily pastureland used for cattle grazing, along with some agricultural land; however, no residential land is impacted. The land is primarily owned by local councils who are currently leasing the land to individuals (cattle breeders and farmers).

Animal breeders and farmers receive state subsidies for the current land use that could be impacted if the state is not notified about the change in land use. Loss of land and/or subsidies will impact livelihoods and living standards of some affected people if not mitigated properly as described in this LRP. Therefore, impacts can be summarized as follows and will be further elaborated on below:

- Loss of pastureland;
- Loss of agricultural land and crops;
- Loss of subsidy payments and/or penalties; and
- Reduced livelihood activities and living standards.

Some temporary structures are present on the impacted land, such as animal sheds and water stations, which can be relocated to other areas of the land not affected by the Project footprint. Therefore, no significant impact is anticipated on these structures, as they are routinely moved by farmers or breeders in conjunction with herd movements. Moreover, during the winter months, some of the structures are dismantled and removed, being re-established in the spring. No primary structures (e.g. residential houses, settlements, farms etc.) are impacted by the Project.

This means the Project will not lead to any physical resettlement impacts.

These potential impacts, along with mitigation measures and further details, are elaborated in Chapter 7.

3. METHODOLOGY

This chapter describes the methodological approach utilized for the development of this LRP. The LRP has been developed based on a review of relevant national and international legislation and standards, the LRF and secondary baseline data. This data is complemented by the data retrieved during the site visits from ERM in July and September 2024. Relevant legislation is discussed in detail in Chapter 4.

3.1 KEY DEFINITIONS

For the development of this LRP, the following key definitions are essential, presented in Table 3-1 below.

TABLE 3-1 KEY DEFINITIONS

Term	Definition
Cut-off date	Date of completion of the census and assets inventory of persons affected by the project. Persons occupying the project area after the cut-off date are not eligible for compensation and/or livelihood restoration assistance. Similarly, fixed assets (such as built structures, crops, fruit trees, and woodlots) established after the date of completion of the assets inventory, or an alternative mutually agreed on date, will not be compensated.
Eligibility	The state of having the right to receive compensation and restoration measures through the satisfaction of the appropriate criteria.
Entitlement	Compensation and assistance required to be developed for addressing various displacement impacts, to which eligible persons are entitled
Economic Displacement	Loss of income streams or means of livelihood resulting from land acquisition or obstructed access to resources (land, water, or forest) resulting from the construction or operation of a project or its associated facilities.
Informal land users	Informal land users refer to individuals or groups who occupy or utilize land without legal ownership or formal recognition, often due to socioeconomic constraints or lack of access to formal land tenure systems.
Involuntary displacement	Displacement is involuntary when it occurs without the informed consent of the displaced persons or if they give their consent without having the power to refuse the displacement.
Livelihood Restoration Measures	Livelihood restoration measures are strategies and actions designed to ensure that individuals and communities who are displaced or adversely affected by development projects can restore or improve their standard of living, income levels, and means of livelihood. These measures may include offering employment opportunities, facilitating access to resources, delivering training programs, and supporting small business development. The goal of livelihood restoration is to ensure that affected populations can achieve sustainable livelihoods and are not left worse off as a result of the project.
Livelihood Restoration Framework (LRF)	Strategic document designed to guide the development and implementation of plans aimed at restoring and improving the livelihoods of individuals and communities affected by projects or activities. Usually the Framework is developed into a full-fledged plan as soon as relevant Project information become available.
Livelihood Restoration Plan (LRP)	Planning document that is needed when a project causes economic displacement. It establishes entitlements of PAPs and contains measures to improve, or at least restore, the means of income-generating capacity, production levels, and standards of living to pre-project levels.

Term	Definition
Project Affected Households (PAHs)	All members of a household, whether related or not, operating as a single-economic unit, who are affected by a project.
Project Affected Persons (PAPs)	Any person experiencing loss of asset, access to income whether of a temporary or permanent nature due to the land acquisition process, and/or access restrictions.
Replacement Cost	Method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets acceptable minimum community standards of quality and safety
Vulnerable Groups	Those who are less able to access a project benefit and / or more likely to experience adverse impacts from the project's activities because of a given status, which may stem from their ethnicity, color, gender, sexual identity, language, religion, political or other opinion, national or social origin, property, health condition, birth or perceived social status. ¹

3.2 SECONDARY DATA COLLECTION

Secondary data sources that informed the development of this LRP include amongst others the following:

- Online government databases and statistical information, such as the last Demographic Census (2021) from the Romanian authorities
- Published literature including supporting grey literature (previous reports, existing studies, etc.) sourced from government websites/data portals, academic research institutions, social organizations etc.
- Reports published by multilateral organizations, such as the European Commission, World Bank Open Data, The World Bank, and Romanian Government Website
- Non-technical literature (newspaper / online articles)
- Land acquisition documents provided by local authorities and the Project, and
- Satellite imagery and aerial photography.

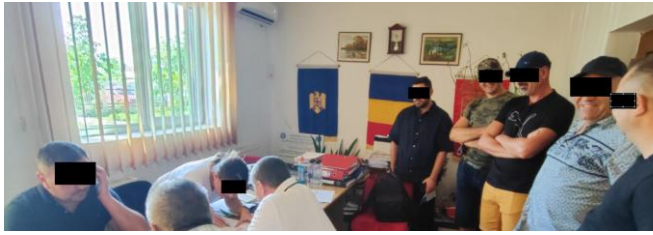
3.3 PRIMARY DATA COLLECTION

Primary data was collected as part of the LRP site visits conducted by ERM from July 29 to 02 August 2024 and in 18, 19, 26 and 27 September 2024. The aim of the field surveys was to

¹ Please note, that the term "vulnerable groups" was chosen to align with the wording of the applicable international standards. Nevertheless, this document acknowledges that people are not vulnerable as such, but that they might be in a vulnerable position. Hence, the vulnerability that they are experiencing is situational and does not define them, despite using the term "vulnerable groups" throughout the guidance.

collect relevant qualitative socioeconomic data through engagement with key regional and local stakeholders, including affected populations.

FIGURE 3-1 STAKEHOLDER ENGAGEMENT DOCUMENTATION



Tintesti City Hall (29 July 2024)



Cilibia City Hall (29 July 2024)



Luciu City Hall (01 August 2024)



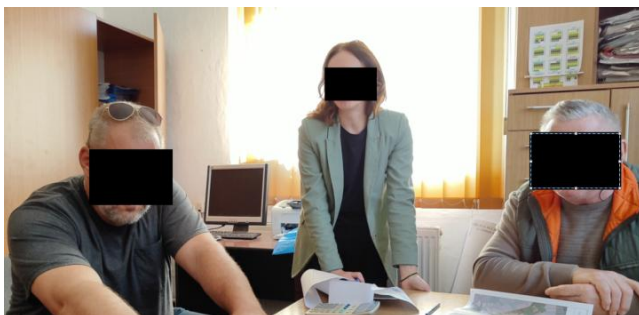
Pogoanele City Hall (01 August 2024)

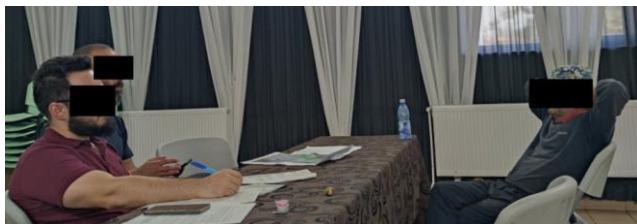


Luciu City Hall (18 September 2024)



Pogoanele City Hall (19 September 2024)



Tintesti City Hall (26 September 2024)*Costesti City Hall (26 September)**Gheraseni Community Center (26 September 2024) Smeeni Community Center (27 September)*

Source: ERM, 2024

The field work was conducted by two ERM consultants, the Project EHS Manager, and the Community Liaison Manager (CLO) and other Project representatives. The meetings were organized in collaboration with the newly appointed Community Liaison Officer (CLO) for the Project, who attended the meetings with the elected representatives and local farmers.

A general classification of the types and extent of economic displacement and livelihood impacts is included based on the outcomes of the LRF, supplemented by information obtained during the LRP site visits, as well as the site walkover and remote sensing and analysis of satellite imagery.

Materials developed for the engagement in July and September 2024 can be found in Appendix A-E. Data collection included the following methods:

- Census survey of impacted people based on lease contracts provided by communes
- Socioeconomic Survey Questionnaires (SSQs)
- Focus Group Discussion Questionnaire (FDGs)
- Key Informant Interviews (KIIs)
- Townhall discussions for disclosure of Project information to affected communities and Site walkover and observations. Each of the above methods will be further discussed below:

3.3.1 SOCIOECONOMIC SURVEY QUESTIONNAIRES

Socioeconomic survey questionnaires were conducted with impacted individuals who lease individual plots of land from the communes.

Several stakeholder engagement sessions were conducted, in which the general project impacts on local farmers/cattle breeders were explained in a plenum followed by hand out of socioeconomic survey questionnaires to be filled out by the affected individuals. The duration of filling out the SSQ lasted approximately 30 minutes.

Questionnaires were completed manually by the affected individuals due to reluctance to attend assigned time slots for one-on-one sessions with qualified experts. To address this, consultants reviewed the questionnaires thoroughly with all participants in attendance. Various support personnel, including CLOs and other consultants, were available to provide assistance as needed.

When participants encountered difficulties in completing the questionnaires, they were supported by qualified experts who provided detailed explanations for individual questions. Disadvantaged individuals, e.g. seeing difficulty, illiterate people etc. were assisted in filling out the questionnaires by ERM personnel. Additionally, upon submission, the questionnaires were

checked to ensure completeness. If any sections were left blank, consultants revisited the questions with participants to clarify and obtain responses.

While it is acknowledged that this approach does not align with best practices, multiple rounds of site visits were conducted in an attempt to collect the surveys. Despite these efforts, this method was ultimately the only way participants were willing to engage. Nevertheless, the overall turnout for completed questionnaires remained relatively low. To motivate community members to participate in future interviews, it is crucial to clearly communicate the significance of their contributions, provide feedback from prior interviews, and foster a sense of trust.

Following filling out the survey questionnaires, there was a third part of the engagement session in which participants asked any follow up questions or can raise concerns in the plenum.

The socioeconomic survey questionnaires contain a wide range of questions to complete the socio-economic baseline for project affected people. The questionnaire is divided into four parts as follows:

- **Part 1: Demographic profile of the household** – containing questions regarding household members, family status, languages spoken, occupation, employment, income, religion and ethnicity, education, and vulnerability.
- **Part 2: Land ownership, use, assets and impacts** – containing questions regarding land ownership, use and any assets on the land (preliminary asset survey²). Once all assets were identified questions are asked regarding potential impacts.
- **Part 3: Livelihood Restoration Strategies** – asking questions regarding preferences for suggested livelihood restoration measures and anticipated impacts on livelihoods.
- **Part 4: Public Consultation and Stakeholder Engagement** – asking questions about how project information was communicated to PAPs and their preferred way of future communication.

3.3.2 FOCUS GROUP DISCUSSIONS

A Focus Group Discussion (FGD) is a qualitative research method that gathers a small group of people to discuss a specific topic, guided by a moderator. The goal is to explore participants' perceptions, opinions, beliefs, attitudes, or ideas about the subject at hand. For the Project the following FDGs were planned:

- Luciu Animal Breeders' Association
- Women & Vulnerable Groups

Further information on each FDG can be found in the below sub chapters.

3.3.2.1 LUCIU FARMER'S ASSOCIATION

During the focus group discussion with the Luciu head of the farmers' association, a structured questionnaire was used to gather detailed information (Appendix B). The duration of the focus group discussion lasted approximately 2 hours.

² Please note that the "preliminary asset survey" is conducted by ERM as part of the socio-economic survey and consist of a couple of comprehensive questions regarding any assets on the land of PAPs (sheds, barns, irrigation infrastructure, fences etc.). The aim of this preliminary asset survey is to serve as a basis for the comprehensive asset survey and valuation of certified experts (if needed).

Questions covered various topics, including daily life challenges, access to grazing land, ownership and usage of agricultural resources, and the association's operations. The respondent highlighted key challenges, including reduced subsidies, impacts of drought on grazing land, and a significant decline in livestock numbers, from 400 to fewer than 50. Farmers lease grazing land from UAT Luciu at 350 lei/ha annually, and grazing remains their primary activity. While some farmers have access to alternative grazing areas, the reduced herd size limits its utility. Basic needs such as access to water and infrastructure were also reported, though no specific vulnerabilities were reported among the association's members, which also includes women. These insights were essential for assessing the community's needs and informing support measures.

3.3.2.2 WOMEN AND VULNERABLE GROUPS

The FDG with women and vulnerable groups was planned, but ultimately did not take place, since individuals were reluctant to attend this session. During townhall discussions, it was explained that the term "vulnerable groups" is used in reference to applicable lender standards and does not imply that individuals are inherently vulnerable but rather that they qualify for additional support based on their specific socio-economic circumstances. Despite being notified and invited to the session based on results from the socio-economic survey questionnaire, participants chose not to attend. Following the socio-economic survey, several individuals approached ERM consultants to verbally express that they preferred their views and opinions to be represented by community leaders, as they felt this approach best captured their perspectives and needs. The project is committed to identifying and supporting vulnerable PAPs, providing additional support to such PAPs during LRP implementation.

3.3.3 KEY INFORMANT INTERVIEWS

ERM conducted key informant interviews (KIIs) as part of the Project's stakeholder engagement process. Key informant interviews are structured conversations with individuals who have in-depth knowledge or insights about a community or specific topic, allowing for a deeper understanding of local dynamics and potential impacts.

For this Project, key informants included the mayors of the affected communes and the Community Liaison Officer, Mr. Bodnar. A set of guiding questions for engagement with key informants was developed by ERM and can be found in Appendix G.

Key informant interviews were conducted with mayors in all impacted communes. Hence, a total of five KIIs were conducted, as detailed below:

- Smeeni Commune – Mayor
- Costesti Commune – Mayor
- Gheraseni Commune – Mayor
- Luciu Commune – Mayor
- Pogoanele Town - Mayor

3.3.4 TOWNHALL DISCUSSIONS

Prior to conducting the socio-economic survey with project affected people ERM and the Project held discussions in the city halls with the impacted community members, mayors and local administrative staff, project representatives. The aim of those discussions was to establish an

open dialogue to provide information about the Project and inform the affected people about the socio-economic survey and focus group discussions planned, as well as provision of basic Project information for the overall understanding of the project and its potential impacts on affected people.

ERM prepared a power point presentation supplementing the townhall discussions (Appendix F) with key Project information to be displayed during discussions.

3.3.5 SITE WALKOVER AND OBSERVATIONS

The site walkover involved an evaluation conducted by ERM to observe and document the conditions within the project footprint and surrounding areas. This included visual inspection of land use, infrastructure and agricultural activities potentially impacted by the project. Observations revealed that, although the project footprint is primarily on leased grazing land, some agricultural fields in the buffer zone have been affected due to construction activities, such as the placement of machinery and building materials. These cases did not result in damage to crops as they occurred following harvest. These findings provide critical insights into the extent of project-induced disruptions and form the basis for identifying mitigation measures and compensation strategies.

Figure 3-2 below presents documentation of the project site walkover conducted by ERM.

FIGURE 3-2 PROJECT SITE PHOTO DOCUMENTATION



Roadworks (44.99778, 27.03752)



Roadworks (44.99779, 27.0376)



Grazing Field WTG15 (45.00753, 26.84619)



Grazing Field WTG15 (45.00285, 26.85308)



Nomad Shed WTG 15 (45.00467, 26.84755)



Grazing Field WTG17 (45.01822, 26.87682)



Grazing Field WTG16 (45.02109, 26.86728)



Access Road WTG 16-17 (45.02106, 26.86756)

Source: ERM, 2024.

3.3.6 OTHER MATERIALS

Other materials have been developed to complement the planned engagement sessions. Those include a leaflet with key project information relevant for LRP stakeholders (see Appendix E) and a rapid census survey questionnaire (Appendix C) that was developed to be used in the field by the Engineering, Procurement and Construction (EPC) contractor during construction activities started by Vests mid-2024, as well as to complement information collected during the FDGs.

The following sub-chapters outline the methodology used for identifying the impacts of the Project on land, people and assets, describing how land plots and respective owners/users were identified.

3.3.7 LAND

The Client has obtained approvals of Land Use Rights (LURs) for all Project facilities by the respective communes owning the land. While the whole land area for each sub-Project component was leased from the communes, it was necessary to establish single land parcels that were leased to individual PAH by the communes and are assigned by the Agency for Payments and Intervention in Agriculture (APIA) who pay subsidies for pasture and agricultural land based on land surface area and use. APIA declared land plots were provided by the Project and shared with ERM who used the plots to overlay in GIS with the Project layout and land area leased by the Project from the communes. 176 APIA registered blocks were identified across the project footprint. It should however be noted that APIA plots do not correlate to land ownership and the blocks are defined for subsidy application purpose. One land user can have multiple APIA blocks e.g. in Luciu there is only one land user (the Luciu association). During the baseline data collection for the LRP, additional information was gathered regarding the structure and operations of the farmer association. This association is registered as a legal entity operating under Law 566/2004 on Agricultural Cooperatives and holds the lease agreement for the grazing land. However, individual members do not have direct land ownership under their names. Regarding subsidies, the association, as the registered land user, applies for and receives them collectively.

The distribution of subsidies among members is based on internal rules established by the association, considering factors such as the breed and number of livestock owned by each member. While some members may receive a larger portion of the subsidies, this is determined by predefined criteria rather than equal distribution. Therefore, blocks do not translate to PAPs but indicate the total number of APIA blocks being used by the 67 PAPs identified by Communes although this number will be further confirmed with local Mayors now that mapping has been completed.

Of the total leased land, the Project will require 121.1 ha during construction and only 64ha will comprise permanent land take (2.1% of the land).

3.3.8 PEOPLE

The methods used to identify affected individuals (PAPs) involved several coordinated steps:

- **Collaboration with Local Authorities:** The project team worked closely with Community Liaison Officers (CLOs), local mayors, and representatives from community organizations, such as leaders of farmers' associations. Their local knowledge and trust within the community were invaluable in the identification process.
- **Mapping and Overlay Analysis:** The project developed detailed maps of the project layout, which were then overlaid with existing land parcel data. This visual representation helped highlight the specific areas that would be impacted by the project.
- **Community Engagement:** Trusted community representatives were engaged to review the overlay maps. These representatives helped in identifying the individuals and families who owned or utilized the land parcels affected by the project.
- **Verification of Affected Persons:** Once the potential PAPs were identified through the maps and community insights, the project team collaborated further with the representatives to verify and ensure that the identified individuals corresponded accurately to the affected land parcels.
- **Documentation and Record-Keeping:** The identification process included meticulously documenting the names and details of the affected people along with their corresponding land parcels for both accountability and future reference.

Based on geo information system (GIS) data analysis, stakeholder engagement activities, socio-economic survey results, field observations, and data shared by the client, there are predominantly animal breeders impacted by the project land acquisition. Nevertheless, a small portion of the impacted people are conducting agricultural activities in areas impacted by the project development (OHL and road expansion).

The animal breeders/farmers are currently using the land for grazing their animals that predominantly consist of sheep herds.

3.3.9 ASSETS

In addition to the abovementioned process of identification of impacted lands and people, the Project undertook steps to identify if any assets would be impacted as part of the Project development. Those steps included primarily a field investigation by the Project during which assets present on the land were documented and mapped. This field investigation showed that there are no residential structures on the land impacted by the Project (e.g. farms, residential

structures, etc.), meaning there will be no physical displacement, but only economic displacement impacts.

In addition to this preliminary site investigation of assets on the land, the socioeconomic census survey that was conducted with impacted people in September 2024, contains several questions regarding assets present on the land (e.g. what type of asset, permanent/temporary structure/facility, use of asset etc.).

3.4 ASSUMPTIONS AND LIMITATIONS

The development of the LRP at hand includes the following considerations and limitations:

- The last population census conducted in Romania was in 2021. As a result, the data used to inform the baseline is somewhat outdated.
- Participation of socio-economic surveys and focus group discussions was limited. The survey teams organized several field trips and employed alternative strategies to encourage broader participation.
- Although organizing individual interviews would have posed logistical challenges, the collective approach proved to be more effective. Participants felt more comfortable, trusting, and open in group settings, especially alongside local administration staff who provided their perspectives on the project. The field team made every effort to assist participants and offer explanations as needed. After respondents submitted their questionnaires, interviewers checked each one on the spot to ensure that any unanswered questions were addressed (if left blank, it was typically due to the respondent's lack of knowledge or choice not to answer).
- Women and Vulnerable People focus group discussions were initially planned as part of the engagement process; however, they ultimately did not take place. Thus, their viewpoints were primarily gathered from household interviews.
- The geo-data for mapping APIA blocks was received late from the Project and as it required various iterations of mapping and review, this affected LRP completion timelines but it was important to help understand the extent of impact on APIA blocks due to implications for subsidies for the sheep farmers.

4. LEGAL FRAMEWORK

This chapter discusses the Romanian legal and regulatory context relevant to land acquisition, economic displacement, and livelihood restoration. It also compares these national laws and regulations to the land acquisition standards set out in the applicable international standards if the International Finance Corporation (IFC) and European Bank for Development and Reconstruction (EBRD). The Project will apply relevant national and international standards.

4.1 NATIONAL FRAMEWORK

The following chapter elaborates on relevant national legislation that comes into play for Project's dealing with land acquisition and livelihood impacts. Relevant national law applicable to the Project is presented in Table 4-1 below.

TABLE 4-1 RELEVANT NATIONAL LEGISLATION

Law	Number	Description	Relevance
Law on Cadastre	105/2019 ³	Law on the amendment and completion of the Law 7/1996 on cadastre and real estate advertising, and which amends and completes Law 18/1991 on land.	The Law regulates the Cadastre of immovable property, national and cadastral surveys, geodesic and cadastral works as well as acquisition, registration, record keeping, maintenance and use of cadastral data. Immovable property – specific part of the land surface, which has boundaries (land, natural objects affixed to the land, business buildings, residential buildings etc.).
Law on Property and other al Rights	185/2018 ⁴	Law for approval of Government Emergency Ordinance 31/2018 on the amendment and completion of cadastre and real estate advertising Law 7/1996.	The Law governs the creation, content, transfer, protection, and termination of real rights. It also regulates ownership and, as limited real rights, possession, real security rights and real rights of use.
Law on Expropriation for Public Utility	33/1994	Law on expropriation for reasons of public utility: Article 30 allows the manner of compensation to be agreed upon by the parties or decided by the court, with payment due within 30 from final decision.	The law provides the general framework for expropriation for public utility purposes. It outlines the procedures and conditions under which private property can be expropriated to serve public interests, such as infrastructure projects, environmental protection, and other public utility projects.
Law on Expropriation for Public Utility Purposes	255/2010	Law on expropriation for reasons of public utility, necessary to achieve objectives of national, county and local interest. The expropriation process in Romania includes declaring public utility, notifying property owners via registered mail, publicly disclosing the expropriation list, conducting public consultations, allowing document submissions, obtaining independent evaluations for fair compensation, depositing compensation in a designated account, providing a period for vacating the property, and offering legal recourse for appeals.	The law updates and refines the procedures and requirements for expropriation, focusing more specifically on the needs and processes for national, county, and local infrastructure projects. It aims to streamline expropriation procedures and make them more efficient.

³ Source: Romanian Legislative Portal LEGE 105 17/05/2019 - Portal Legislativ (just.ro)

⁴ Source: Romanian Legislative Portal L_185_2018.pdf (anaf.ro)

Law	Number	Description	Relevance
		<p>Article 8 details the requirement for publicizing the decision to expropriate, including notifications to affected property owners.</p> <p>Article 11 states that independent evaluators, certified by professional bodies like the National Association of Authorized Romanian Valuers (ANEVAR), prepare evaluation reports to determine the fair market value of expropriated property.</p> <p>Chapter V describes the process of operation of the property rights verification and grant of compensation. After the issue of an expropriation decision the expropriator appoints a verification committee to review claims to property or other rights. Compensation claims must be filed promptly with supporting documents. Disputes among claimants are resolved based on civil law or court judgments. The compensation decision is publicly communicated, with payments due within 90 days. Dissatisfied parties can appeal within a specified timeframe.</p>	
Law on Spatial Planning and Urbanism	350/2001	<p>Law regarding territorial development and urban planning:</p> <p>Chapter 5 covers territorial planning documentation preparation, funding initiation, approval processes, public participation in territorial planning activities, and monitoring compliance with planning documents.</p>	The law focuses on spatial planning principles aimed at rationalizing land use, optimizing infrastructure development, and promoting sustainable urban and rural development practices.
Law on Social Assistance	292/2011	<p>Law regarding the general framework of organization, operation and financing of the social assistance system in Romania.</p> <p>Article 4 states that all residents of Romania, including citizens and foreigners, are entitled to social assistance.</p> <p>Within the context of the law, vulnerable people are defined as individuals facing social, economic, or health-related challenges that hinder their full participation in societal activities, encompassing groups such as persons with disabilities, elderly individuals, children in difficult situations, victims of domestic violence, and other marginalized groups.</p>	The law provides a framework for social assistance in Romania, including the protection of vulnerable populations such as the elderly, children, disabled persons, and those at risk of poverty. It emphasizes the importance of social services and benefits to support vulnerable groups.
The Civil Code	287/2009	<p>Set of laws regarding civil rights in Romania.</p> <p>Articles 551-562 enumerates the various types of real rights recognized by the Romanian State including ownership, surface rights, usufruct, personal use rights, habitation rights, servitudes, administration rights, concession rights, use rights, real security rights, and other rights recognized by law as having the character of real rights. The respective sections also define the general principles</p>	The Civil Code is a set of laws governing private legal matters, including property, contracts, and family, to ensure justice and fairness in civil relationships.

Law	Number	Description	Relevance
		<p>of ownership, including the right to possess, use, and dispose of property. Articles 703-748 outline the creation, duration, and termination of usufruct, as well as the rights and obligations of both the usufructuary (the person holding the usufruct) and the bare owner (the property owner). This section ensures that the usufructuary can benefit from the property while maintaining it and not diminishing its value.</p> <p>Articles 1777-1850 address the legal framework governing lease contracts. These articles define the nature of lease agreements, specifying the rights and obligations of property owners and tenants. The articles cover essential aspects such as the establishment of lease terms, rent payments, maintenance responsibilities, and conditions for terminating leases. This section ensures clarity and fairness in the contractual relationship between lessors and lessees, facilitating the lawful use and occupation of property while safeguarding the interests of both parties involved.</p> <p>Book V, Title IX, Chapter V, Section 1, Subsection 7 of the Civil Code details the methods for termination of lease agreements. If without justification, one of the parties to the lease agreement fails to fulfill its obligations arising from this contract, the Civil Code stipulates that tenants are entitled to fair compensation based on the terms of the lease agreement and the market value of improvements they may have made to the property. This ensures that tenants are adequately compensated for any loss of rights or use resulting from displacement actions.</p>	
Land Law	18/1991	<p>Article 2 categorizes land based on its purpose: agricultural lands for farming and related activities, forest lands for forestry and conservation, submerged lands under water bodies, urban and rural lands with constructions, and lands designated for special purposes like transportation, utilities, mining, defense, and conservation areas.</p>	The law defines various categories of land including private property, public property, and the rights and obligations associated with each.
Energy Zone Delimitation Norm	Order 239/2019	<p>Annex 6, Chapter 2 of the Norm describes the operational protection and safety zones for overhead power lines with nominal voltages above 1kV.</p>	The norm approved by Order 239/2019 defines the protection and safety zones around energy infrastructure, such as overhead power lines and substations, to ensure safe operation, maintenance, and coexistence with surrounding environments.

4.2 INSTITUTIONAL FRAMEWORK

The administrative structure in Romania is governed by central and local administrations. The Romanian President is elected for a five-year representative, for maximum two terms. The Romanian Parliament is bicameral consisting of the Chamber of Deputies (Camera Deputaților) composed of 330 directly elected deputies and the Senate (Senatul) composed of 136 directly elected senators. Both chambers have a four-year term.

The Government is the public authority of executive power that functions based on the vote of confidence granted by Parliament, ensures the achievement of the country's domestic and foreign policy and that exercises the general leadership of public administration. The Government is appointed by the President of Romania based on the vote of confidence granted to the Government by Parliament. The Prime Minister leads the Government and coordinates the activities of its members, in compliance with their legal duties. The working structure of the Government is composed of the Prime Minister's Office, Secretariat - General of the Government, departments and other similar organizational structures with specific tasks set by Government Decision.

Framework Law no. 195/2006 on decentralization, revised by Government Emergency Ordinance no. 42/2016, establishes the principles, rules, and institutional framework, which regulates the administrative and decentralization process and establishes own and shared competencies for the different levels of government.

The 41 counties of Romania and the city of Bucharest are governed by the council president and the elected county councilors, while the central government appoints a prefect in each county. The role of the prefect is to represent the central authority (the government) at local level, with the power to oppose and block local authorities' unlawful or unconstitutional actions.

At municipality and commune level, the government structure consists of elected Mayors and Local Councils. There is no further representation at village level, all executive decisions are taken at commune level. Local councils and Mayors for municipalities and communes are also elected for a four-year representative. According to the Constitution, Romanian territory is organized administratively into Counties (in Romanian "Județe"), at the intermediate level, while Communes, Towns and Municipalities (Cities) form the local administrative level. The status as Municipality ("Municipiu" in Romanian) is given to larger towns, but it does not give their administrations any greater powers. Below communal or town level, there are no further formal administrative subdivisions. However, communes are divided into villages (which have no administration of their own).

Land administration and management involve both national and local governance. At the national level the National Agency for Cadastre and Real Estate Publicity (ANCPPI) oversees and ensures the accuracy of the national cadaster and the land registry database. The Ministry of Agriculture and Rural Development elaborates land use policies, implements land reforms and leads proposed projects. Regionally, the ANCPPI supervises the County Offices for Cadaster and Real Estate Publicity (OCPI) which are responsible for the management of land registration and cadastral surveys.

On a communal level, land administration is centered around local councils, which serve as the primary governing bodies. These councils approve local development plans, zoning regulations,

land use policies and allocate land for public services, infrastructure or other needs, while ensuring the proposed developments align with national, regional or other local priorities.

The Mayor, along with the local administration, is responsible for executing the local council's decisions. Together, they implement land management policies, oversee the maintenance of cadastral records, and ensure compliance with zoning regulations.

4.3 INTERNATIONAL REQUIREMENTS

The project must adhere to lenders' requirements, including the IFC Performance Standards (2012) and EBRD Performance Requirements (2019), ensuring compliance with international best practices for managing environmental and social risks. These standards include comprehensive provisions for avoiding or minimizing displacement, ensuring fair compensation, and providing adequate resettlement and livelihood restoration assistance to affected persons. The main provisions outlined in these standards are summarized in Table 4-2 below, highlighting the categories of eligible persons, the types of compensation and assistance provided, and special considerations for vulnerable groups.

TABLE 4-2 OVERVIEW OF EBRD/IFC REQUIREMENTS FOR LAND ACQUISITION AND RESETTLEMENT

Topic	Requirements under IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement (2012)	Requirements under EBRD PR 5: Land Acquisition, Restriction on Land Use and Involuntary Resettlement (2019)
Objective	<ul style="list-style-type: none"> Projects should aim to avoid involuntary resettlement whenever feasible. If unavoidable, displacement must be minimized by exploring alternative project designs. Mitigation of adverse impacts through appropriate compensation, assistance, and resettlement planning. Improvement or restoration of livelihoods and standards of living of displaced persons. Promotion of sustainable development by establishing resettlement policies and practices that foster social inclusion and economic opportunity. 	<ul style="list-style-type: none"> Avoid or Minimize Displacement: Prioritize avoidance or minimization of involuntary resettlement through alternative project designs. Mitigate Adverse Impacts: Implement measures to mitigate adverse social and economic impacts from land acquisition or restrictions on land use. Improve or Restore Livelihoods: Aim to improve or restore the livelihoods and standards of living of displaced persons to pre-project levels or better. Respect Human Rights: Ensure that resettlement activities respect and uphold human rights and are conducted in a participatory manner.
Scope of Application	<ul style="list-style-type: none"> Physical displacement (relocation or loss of shelter) and economic displacement (loss of assets or access to assets that affect livelihoods) as a result of project-related land acquisition or restrictions on land use. 	<ul style="list-style-type: none"> Applies to involuntary resettlement, including physical displacement (relocation or loss of shelter) and economic displacement (loss of assets or access to assets that affect livelihoods) due to project-related land acquisition or restrictions on land use.
General requirements	<ul style="list-style-type: none"> Conduction of a census to identify displaced persons and establish a socio-economic baseline. Establishment of a cut-off date for eligibility for compensation and resettlement assistance. 	<ul style="list-style-type: none"> Conduction of a comprehensive assessment and planning, including socio-economic studies and baseline data collection, to understand the impacts of land acquisition and develop appropriate mitigation measures.

Topic	Requirements under IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement (2012)	Requirements under EBRD PR 5: Land Acquisition, Restriction on Land Use and Involuntary Resettlement (2019)
Consultation and Participation	<ul style="list-style-type: none"> Engagement with affected communities through a process of informed consultation and participation throughout the resettlement planning and implementation process. 	<ul style="list-style-type: none"> Engage in meaningful consultations with affected persons and communities throughout the resettlement planning and implementation process.
Compensation	<ul style="list-style-type: none"> Provision of compensation for lost assets at full replacement cost and other assistance to help displaced persons improve or restore their standards of living. 	<ul style="list-style-type: none"> Compensation at Full Replacement Cost: Provide compensation for lost assets at full replacement cost and ensure it is sufficient to replace lost assets and cover transaction costs.
Livelihood Restoration or Improvement	<ul style="list-style-type: none"> Beyond compensation, affected persons should receive support to restore or improve their livelihoods and standards of living, which may include training, employment opportunities, and access to credit or other economic resources. Development of measures to improve or restore the livelihoods of economically displaced persons, such as providing access to alternative employment, training, or business opportunities. Ensuring that displaced persons have access to housing that meets minimum standards of safety and adequacy. 	<ul style="list-style-type: none"> Beyond compensation, affected persons should receive support to restore or improve their livelihoods and standards of living, which may include training, employment opportunities, and access to credit or other economic resources. Provision of assistance to help displaced persons restore or improve their livelihoods and living conditions, which may include support for employment, training, and access to credit.

Topic	Requirements under IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement (2012)	Requirements under EBRD PR 5: Land Acquisition, Restriction on Land Use and Involuntary Resettlement (2019)
Eligibility and Entitlements	<ul style="list-style-type: none"> Persons with formal legal recognition of land and asset rights receive compensation at full replacement cost and other resettlement assistance. Persons with recognizable claims to land or assets under national laws or customary tenure systems are eligible for similar compensation and assistance. Persons without recognizable legal claims to land they occupy are eligible for resettlement assistance to improve or restore living standards but not necessarily land compensation. 	<ul style="list-style-type: none"> Persons with formal legal recognition of land and asset rights receive compensation at full replacement cost and other resettlement assistance. Persons with recognizable claims to land or assets under national laws or customary tenure systems are eligible for similar compensation and assistance. Persons without recognizable legal claims to land they occupy are eligible for resettlement assistance to improve or restore living standards but not necessarily land compensation.
Resettlement Planning and Implementation	<ul style="list-style-type: none"> Development of a Resettlement Action Plan (RAP) or Livelihood Restoration Plan (LRP) that outlines the compensation, resettlement assistance, and livelihood restoration measures. 	<ul style="list-style-type: none"> Prepare a detailed RAP or LRP outlining the compensation, assistance, and livelihood restoration measures. This should be based on comprehensive socio-economic studies and developed in consultation with affected persons. Develop and adhere to an implementation schedule that is coordinated with the project timeline and ensures resettlement activities are completed before displacement occurs.
Grievance Mechanism	<ul style="list-style-type: none"> Implementation of a grievance mechanism to receive and address concerns and complaints from displaced persons. 	<ul style="list-style-type: none"> Implement a transparent and accessible grievance mechanism to address concerns and complaints from affected persons in a timely manner.

Topic	Requirements under IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement (2012)	Requirements under EBRD PR 5: Land Acquisition, Restriction on Land Use and Involuntary Resettlement (2019)
Monitoring and Evaluation	<ul style="list-style-type: none"> Conduct regular monitoring of resettlement activities to ensure that the objectives of the resettlement plan are being achieved. Evaluate the outcomes of resettlement activities to assess the effectiveness of the resettlement plan and identify any need for corrective actions. 	<ul style="list-style-type: none"> Regular monitoring of resettlement activities to ensure compliance with the RAP or LRP and to address any issues promptly. Periodical evaluation of the outcomes of resettlement activities to assess the effectiveness of the measures and to implement corrective actions if necessary.
Special Considerations	<ul style="list-style-type: none"> Particular attention must be given to the needs of vulnerable groups, such as women, children, the elderly, and those with disabilities. Customary and traditional land rights must be respected and protected. Issues related to land tenure must be addressed and aid provided in securing legal recognition of tenure. 	<ul style="list-style-type: none"> Needs of vulnerable groups, such as women, children, the elderly, and those with disabilities, must be considered ensuring they receive adequate support and protection. Customary and traditional land rights and practices must be protected, ensuring that such rights are considered in resettlement planning and compensation. Provision of transitional support to ensure displaced persons have access to adequate housing, food, water, and other essentials during the resettlement process.
Documentation and Disclosure	<ul style="list-style-type: none"> Resettlement documentation, including the RAP or LRP, must be prepared and disclosed to affected communities and other stakeholders. There must be ongoing consultation with affected communities and disclosure of information throughout the resettlement and livelihood restoration process. 	<ul style="list-style-type: none"> Documentation of all resettlement activities and decisions, ensuring transparency and accountability in the resettlement process. Provide timely and relevant information to affected persons in a culturally appropriate and accessible manner.

Topic	Requirements under IFC Performance Standard 5: Land Acquisition and Involuntary Resettlement (2012)	Requirements under EBRD PR 5: Land Acquisition, Restriction on Land Use and Involuntary Resettlement (2019)
Implementation and Legal Framework	<ul style="list-style-type: none"> All resettlement and livelihood restoration activities must comply with IFC provisions under PS5. 	<ul style="list-style-type: none"> Disclosure of resettlement plans and relevant information to affected persons and the public, maintaining transparency and facilitating informed participation. Ensure that resettlement activities comply with national laws, EBRD requirements, and relevant international standards. Strengthen or establish legal frameworks where necessary to ensure fair and equitable treatment of displaced persons and to address any legal and institutional gaps.

4.4 GAP ANALYSIS: ROMANIAN LAW AND LENDER'S REQUIREMENTS

This chapter presents a comprehensive gap analysis between Romanian legislative provisions and the applicable international standards, identifying discrepancies and areas for improvement. The analysis ensures that, in all instances, the higher standard will be adopted and applied. In cases where the national legislative provisions fall below the international required provisions, the assessment will provide gap filling measures, to meet the international criteria.

TABLE 4-3 COMPARISON BETWEEN ROMANIAN LAWS AND IFC PS 5

Topic	IFC PS 5 / EBRD PR 5 Requirements	Romanian Legal Requirements	Legislative Gap	Gap Filling Measures
Avoidance and minimization of displacement	<p>Demonstration of avoidance or limitation of project related involuntary land acquisition or restrictions on land use.</p> <p>Consideration of feasible alternative project designs to avoid or minimize physical and / or economic displacement, while balancing environmental, social and financial costs and benefits, and paying particular attention to gender impacts and impacts on the poor and vulnerable.</p>	Law 350/2001 addresses aspects related to minimizing displacement through strategic territorial planning and regulation of land use, contributing to reducing negative impacts on communities and ecosystems during development.	Romanian law primarily focuses on procedural aspects and sustainable development principles without mandating specific measures for displacement avoidance or alternative project designs.	<p>The Project will apply higher requirement/standard in line with IFC/EBRD.</p> <p>The LRP includes a section on avoidance and minimization of displacement by considering Project alternatives (see Chapter 2.4).</p> <p>The Project will cause no physical displacement of individuals and communities but is limited to economic displacement (see Chapter 2.6).</p>
Early consultation & Disclosure	<p>Projects under IFC/ERBD are required to engage with affected communities as early as possible in the land acquisition process.</p> <p>Stakeholder engagement activities will continue during the resettlement planning, implementation and monitoring, with particular attention to disadvantaged or vulnerable groups.</p>	Law No. 255/2010 requires notification via registered mail, public disclosure of the expropriation list and a consultation period.	Legislation does not explicitly require comprehensive engagement practices, including early consultation and detailed disclosure requirements.	<p>The Project will apply higher requirement/standard in line with IFC/EBRD.</p> <p>The Project developed a stakeholder engagement plan for LRP development (see Chapter 10).</p> <p>During the implementation of planned engagement measures, affected communities were and will continue to be informed about the Project and specifically anticipated livelihood impacts.</p>
Socio-economic assessment and census	IFC/EBRD standards require a household-level census and asset survey identifying PAHs and affected lands and assets.	There is no specific law dedicated to socio-economic assessment and census in the context of development	Absence of specific legal requirements.	The Project conducted a socio-economic census of identified affected people as part of various site visits. A census will be

Topic	IFC PS 5 / EBRD PR 5 Requirements	Romanian Legal Requirements	Legislative Gap	Gap Filling Measures
		projects and expropriations processes.		conducted for households that haven't been surveyed as part of the LRP's implementation with a focus on data providing insights of potential vulnerabilities.
Economic Displacement	IFC/EBRD requires the development of a Livelihood Restoration Plan to compensate affected persons and/ or communities and offer other assistance. Economically displaced persons whose livelihoods or income levels are adversely affected will also be provided opportunities to improve, or at least restore, their means of income- earning capacity, production levels, and standards of living.	Chapter V within Law No. 255/2010 provides frameworks for compensation and procedural aspects of expropriation.	Romanian law does not require the development of LRFs/LRPs aimed at restoring livelihoods, income levels, and standards of living for economically displaced persons.	<p>The Project will apply higher requirement/standard in line with IFC/EBRD.</p> <p>The LRP was developed in accordance with IFC PS5 and EBRD PR5 requirements with the aim of restoring, and where possible improving, livelihoods to pre-Project levels.</p>
Cut-off date	IFC/EBRD require setting a cut-off date that signifies the point after which any improvements to the land or land transactions are no longer deemed eligible.	There are no specific legal requirements that define or address a cut-off date.	Absence of legal provisions.	<p>The Project will apply higher requirement/standard in line with IFC/EBRD.</p> <p>The Project team provided information about the project, land acquisition, and the development of the Livelihood Restoration Plan (LRP) and such engagement will continue during the construction of the project. Given the nature of the land use for the Project, the risk for opportunistic settlements or encroachment is low, thus a cut-off date was not deemed necessary.</p>

Topic	IFC PS 5 / EBRD PR 5 Requirements	Romanian Legal Requirements	Legislative Gap	Gap Filling Measures
Eligibility	Under IFC/EBRD standards affected persons may be classified as persons who: (i) have formal legal rights to the land or assets they occupy or use; (ii) do not have formal legal rights to land or assets, but have a claim to land that is recognised or recognisable under the national laws; or (iii) have no recognisable legal right or claim to the land or assets they occupy or use.	Eligibility for expropriation applies to individuals and legal entities who own property or land that is required for projects deemed of public utility. These projects are justified based on their necessity for infrastructure development, public interest objectives, environmental rehabilitation, or other purposes specified by Law No. 255/2010.	Romanian law strictly focuses on formal legal ownership for expropriation eligibility, while IFC/EBRD standards also include individuals with recognized customary or informal rights.	The Project will apply higher requirement/standard in line with IFC/EBRD. Informal land users were considered in the eligibility requirements and are entitled to livelihood restoration measures. Please note, that however, there were no informal land users identified during the site engagements.
Compensation	Compensation payments are calculated at full replacement cost. In determining the replacement cost, depreciation of the assets and the value of salvage materials are not considered, nor is the value of benefits to be derived from the Project deducted from the valuation of an affected asset.	According to Romanian Law No. 255/2010, compensation for expropriation is determined based on evaluation reports prepared by experts, typically reflecting the market value of the properties at the time of evaluation. This ensures a fair and transparent process in assessing compensation amounts for affected property owners.	The gap lies in the method of determining compensation. Romanian law mandates compensation based on evaluation reports reflecting market value, which considers factors such as depreciation, salvage value, and project benefits. In contrast, the alternative approach suggests compensating at full replacement cost without deducting these elements.	The Project will apply higher requirement/standard in line with IFC/EBRD. The Project will pay compensation rates at full replacement cost for lands and assets impacted. Full replacement cost should be determined with the support of a certified, independent valuer - using valid and reliable data on current market values (this could come from local councils, amongst other sources). In addition, compensation is paid for lost subsidies or penalties from APIA caused by the Project.
In-kind compensation	Compensation in-kind will be offered in lieu of cash compensation where feasible, in particular for poor and vulnerable people.	Compensation payments will be made in any manner agreed upon by the parties; in the absence of an agreement, the court will decide.	There is no specific requirement or detailed framework that prioritizes offering compensation in-kind.	The Project will apply higher requirement/standard in line with IFC/EBRD. The Project provides in-kind compensation and support

Topic	IFC PS 5 / EBRD PR 5 Requirements	Romanian Requirements	Legal	Legislative Gap	Gap Filling Measures
					<p>measures rather than focus on monetary compensations.</p> <p>However, where impacts are minimal and will not significantly impact livelihoods, monetary compensation is an option.</p>
Compensations for land users /tenants who lease the land from state/municipality/landowners)	According to IFC/EBRD people leasing land from the government or other entity must be considered in the LRP measures and included in the entitlement matrix.	The Civil Code of Romania regulates lease agreements, ensuring tenants' rights to utilize the property as stipulated in the contract.		Romanian legislation lacks specific details regarding the rights of tenants in the event of displacement.	<p>The Project will apply higher requirement/standard in line with IFC/EBRD.</p> <p>The LRP focuses on livelihood restoration measures for people who were currently using the land and who will be impacted by the Project land acquisition. This includes land users and people leasing the land from the municipalities.</p>
Vulnerable People	Special consideration must be given to the assessment of vulnerable people and special support measures developed for them.	Social assistance law provides general provisions for the support and protection of vulnerable populations but does not explicitly mandate detailed procedures for the assessment of vulnerable people and the development of special support measures within the context of expropriation and LRPs.		Legislation outlines broad social assistance principles but lacks specific requirements for how these principles should be applied to assess and support vulnerable individuals affected by displacement due to development projects.	<p>The Project will apply higher requirement/standard in line with IFC/EBRD.</p> <p>The Project will implement special support measures for people that will be in a vulnerable position due to the Project induced displacement (see Chapter 9.6).</p>
Informal people/land users	Informal land users are also considered for compensation/livelihood restoration measures under IFC/EBRD standards.	Romanian legislation is not explicit about the treatment and rights of informal land users, who may occupy land or use land without formal legal recognition.		Romanian expropriation laws focus strictly on formal landowners, in contrast to international standards that advocate for the recognition and	The Project will apply higher requirement/standard in line with IFC/EBRD.

Topic	IFC PS 5 / EBRD PR 5 Requirements	Romanian Requirements	Legal	Legislative Gap	Gap Filling Measures
				support of all affected persons, including those without formal legal rights.	Informal land users will be considered eligible for livelihood restoration measures. Please note, that up until to date no informal land users were identified.
Improve or Restore Conditions / Livelihoods	According to IFC/EBRD, replacement land for PAHs must offer equivalent or improved features and conditions, while means of income earning capacity, productivity levels and associated livelihoods and standards of living of affected communities must be improved or at least restored to pre-project levels.	No specific law mandating the improvement or restoration of livelihoods, income-earning capacity, or productivity of individuals affected by expropriation.		Absence of legal provisions.	The Project will apply higher requirement/standard in line with IFC/EBRD. The LRP describes measures to improve or at least restore the affected communities' livelihoods to pre-project levels (see Chapter 9). The measures developed as part of this LRP will be implemented by the Project and monitored regularly (see Chapter 12.1).
Transitional Support	Transitional support measures must be developed to assist project affected people. This includes financial support, temporary housing, access to healthcare and education facilities, and other essential services to facilitate the resettlement process.	No specific law mandating transitional support measures.		Absence of legal provisions.	The Project will apply higher requirement/standard in line with IFC/EBRD. The Project will implement transitional support measures, where needed (see Chapter 9).
Grievance Mechanism	IFC/EBRD requirements stipulate the implementation of an accessible and inclusive GM that addresses concern promptly and effectively in a transparent and culturally appropriate manner. The GM has	Romanian legislation does not explicitly require the implementation of a GM.		Absence of legal provisions.	The Project will apply higher requirement/standard in line with IFC/EBRD. The Project GM (see Chapter 11) developed by ERM as part of the ESIA was communicated to all

Topic	IFC PS 5 / EBRD PR 5 Requirements	Romanian Requirements	Legal	Legislative Gap	Gap Filling Measures
	to be accessible to all PAPs and will not hinder them to access other judicial or non-judicial procedures related to their grievances. All grievances handled by the GM will be assessed in an appropriate, sensitive, objective and discrete manner and responsive to the needs and concerns of the PAHs. Lastly, it will allow for anonymous complaints.				affected stakeholders during the engagement sessions and apply to the Project LRP.
Monitoring and Evaluation	<p>IFC/EBRD require monitoring of the land acquisition and utilization, as well as implementation.</p> <p>Qualified and experienced external should be involved in external audits.</p> <p>All results shall be monitored and evaluated so that corrective and preventive actions can be developed and implemented.</p>	There is no specific legislation that addresses monitoring and reporting land acquisition and livelihood restoration processes.		Absence of legal provisions.	<p>The Project will apply higher requirement/standard in line with IFC/EBRD.</p> <p>The LRP establishes monitoring, evaluation and reporting provisions (see Chapter 12.1) that will be followed throughout this work stream.</p>
OHL RoW and Use Restrictions	<p>Minimum vertical clearance: No specific guidance, "...Typically, tall trees of approximately 4.5 m or more are not permitted within aboveground rights-of-way."</p> <p>Minimum horizontal clearance (RoW): No specific guidance, "...range from 15 to 100 m depending on voltage and proximity to other rights-of-way"</p>	The vertical distance measured between the closest conductor to the trees and the treetop canopy (including a foreseeable growth until the next tree pruning/clearing operation), at the maximum deviation of the conductor and the tree canopy under the action of wind and/or snow load and in conditions of maximum sag, must not be		Since the specific OHL Guidelines do not contain detailed provisions regarding minimum vertical and horizontal clearance and use restrictions, the more stringent Romanian requirements will be followed.	<p>The Romanian legislative requirements will be followed, since they are more stringent, meaning:</p> <p>For 400 kV power lines, there must be at least 6 meters of vertical space between the power line and the treetop canopy, including expected tree growth until the next pruning. This considers the line's sag and movement due to wind or snow.</p>

Topic	IFC PS 5 / EBRD PR 5 Requirements	Romanian Legal Requirements	Legislative Gap	Gap Filling Measures
	<p>(typical range is between 15 and 30 m)"</p> <p><i>Installation of transmission lines or other high voltage equipment above or adjacent to residential properties or other locations intended for highly frequent human occupancy, (e.g. schools or offices), should be avoided"</i>⁵</p> <p>Compensation must be provided for crops lost during construction activities, whether through land acquisition, destruction, or temporary land use restrictions. PS/PR 5 require that those who face restrictions in the use of their land or resources due to the Project must be compensated for these limitations and assisted in finding alternative means of livelihood where necessary.</p>	<p>less than 6 meters for overhead power lines with a voltage of 400 kV.</p> <p>For OHLs, the standardized widths of the passage corridors for single/double-circuit lines is 75 meters for OHL with a voltage of 400 kV.</p> <p>Passage corridor (operational) of the OHL is defined as: the terrestrial surface located along the OHL and the airspace above it, where restrictions and prohibitions are imposed regarding the coexistence of the line with natural elements, objects, constructions, and installations; the passage corridor coincides with the protection zone and the safety zone of the line.</p> <p>The minimum distances in rugged terrain, measured from conductors in a deviated position under the action of wind to terrain slopes, rock cliffs, lands outside inhabited areas, areas accessible to transport and agricultural machinery, private utility roads, etc., are 8 meters for 400 kV OHL</p>		<p>The passage corridor, which is the safe area around the power lines, should be 75 meters wide for 400 kV lines, whether they have one or two circuits.</p> <p>The passage corridor includes the ground below the power line and the airspace above it. Certain activities, constructions, and natural elements are restricted or prohibited in this area for safety.</p> <p>In rough landscapes, the minimum distance from the power lines to terrain features like slopes, cliffs, or private roads should be at least 8 meters to ensure safety and access.</p> <p>The Project will provide compensation for crops lost during construction activities, whether due to land acquisition, destruction, or temporary land use restrictions. In accordance with PS/PR 5, the Project will ensure that individuals who face restrictions on the use of their land or resources are compensated for these limitations and will be supported in identifying alternative livelihood options where necessary.</p>

⁵ WB Group EHS Guidelines: – Electric Power Transmission and Distribution (2007)

5. SOCIO-ECONOMIC BASELINE

This chapter presents the socio-economic baseline for affected communities based on ESIA findings. Please note, that this baseline assessment is for all communes within the Project AoI, but not specific to project affected households (PAH) (i.e., those who will experience displacement impacts). Specific data for PAH was gathered as part of the socioeconomic survey conducted for this LRP and KII and FDGs conducted for the purpose of supplementing the socio-economic data collected. This specific data is presented in Chapter 6.

5.1 DEMOGRAPHICS

The six administrative units in the project AoI vary in size and population.

In 2023, Smeeni had a population of approximately 6,387 inhabitants. In opposition, Luciu commune had a population of approximately 2,607 inhabitants.

A population decreasing trend is evident within the communes, in line with the national and county demographic developments. Costești Commune, located closest to Buzău city, has experienced a slight population increase of 21 people (+0.4%), now having a population of approximately 4,838.- See Table 5-1, which presents population data for the Social AoI and Figure 5-1, illustrating the demographic trends within the project's AoI, for the year 2023, broken down by each commune.

TABLE 5-1 POPULATION NUMBERS IN THE SOCIAL AOI (2011, 2023)

Municipality/ Commune (LAU II)	Settlement	Population / settlement (2011)	Total Population (2011)	Total Population (2023)	Demographic change 2011/2023	
Gherăseni Commune	Gherăseni		3,392	3,137	-255	-7.5%
Pogoanele Town	Pogoanele	-	6,926	6,950	+24	+0.3%
Țințești Commune	Țințești	696	4,518	4,433	-85	1.8%
	Pogonele	1,537				
	Odaia Banului	121				
	Maxenu	2,164				
Smeeni Commune	Smeeni	3,247	6,649	6,387	-262	-3.94%
	Albești	889				
	Bălaia	219				
	Călțuna	565				

Municipality/ Commune (LAU II)	Settlement	Population / settlement (2011)	Total Population (2011)	Total Population (2023)	Demographic change 2011/2023	
	Moisica	359				
	Udați-Lucieni	389				
	Udați-Mânzu	981				
Luciu Commune	Luciu	2,004	2,911	2,607	-304	-10.4
	Caragele	907				
Costești Commune	Costești	1,559	4,817	4,838	+21	+0.4%
	Budișteni	521				
	Gomoești	252				
	Groșani	67				
	Pietrosu	1,204				
	Spătaru	1,214				

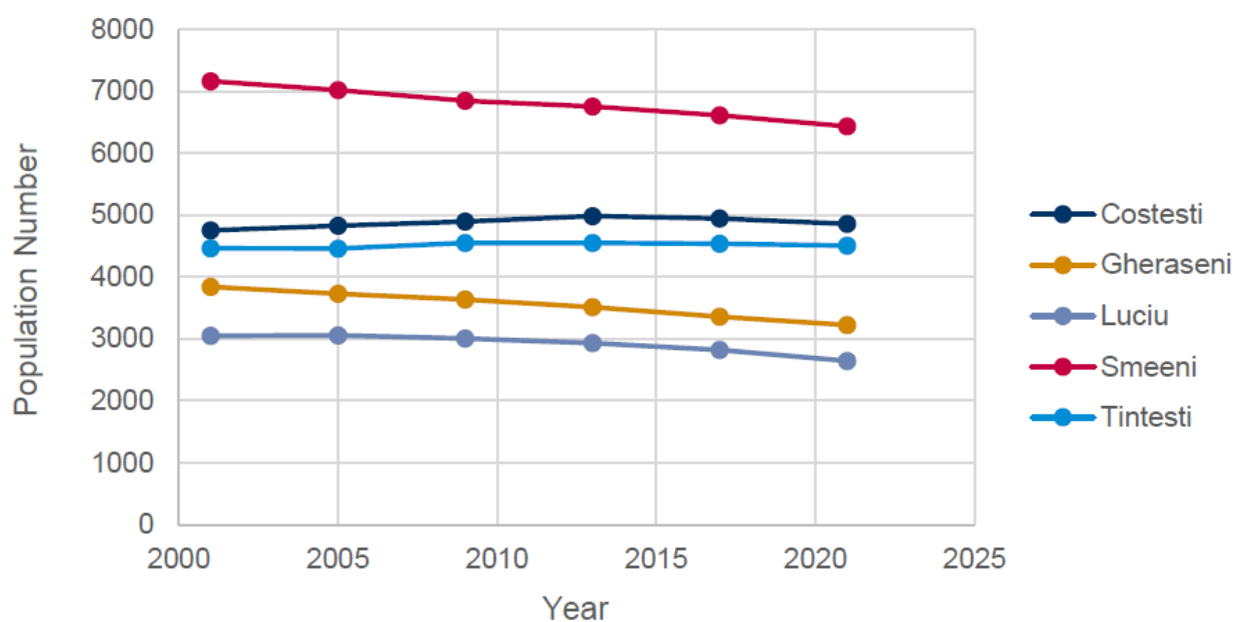
Source: *Situație U.A.T.-uri după numărul de locuitori la 01.01.2023*⁶ and *Populație, gospodării și clădiri la recensământul din anul 2011 - rezultate preliminare*⁷

Note: Data available at settlement level dates from 2011, when the previous population survey was conducted in Romania. The 2021/2 census is currently being processed. Preliminary demographic results at Administrative Territorial Unit (ATU) level were published in December 2022.

⁶ PDOM_SIRUTA2023.xlsx (live.com), accessed on July 15th. 2024

⁷ <https://www.recensamantromania.ro/wp-content/uploads/2021/11/TS2.pdf>, accessed on July 15th. 2024

FIGURE 5-1 DEMOGRAPHIC TREND IN THE PROJECT'S DIRECT AOI, PER COMMUNE IN 2021



Source: ERM 2023, based on INSSE Tempo Online

The gender ratio is relatively balanced in all communes. Although the Study area is defined by a strong majority of Orthodox Christian Romanians, a relative larger Roma minority is present in settlements closer to Buzău city (close to Costesti Commune) and in Luciu commune.

For more information on the demographic statistics, see Table 5-2 below. Data is provided for the year 2011.

TABLE 5-2 GENDER, ETHNICITY AND RELIGION IN VIFOR PROJECT'S SOCIAL AOI (2011)

Administrative Territorial Unit (ATU)	Costești	Gherăseni	Smeeni	Țintești	Luciu
Population (no.)	4,817	3,456	6,649	4,518	2,911
Population density per km ²	85.4	63.0	62.0	62.6	30.7
Gender distribution					
% females	50.21%	48.67%	50.08%	50.07%	48.63%
% males	49.79%	51.33%	49.92%	49.93%	51.37%
Ethnic composition					
Romanians	88.18%	95.54%	95.26%	91.66%	91.45%
Roma	6.97%	1.71%	1.34%	4.69%	6.53%
Other (incl. Unknown)	4.75%	2.69%	3.4%	3.63%	N.A

Source: ERM 2023, based on information provided by the National Institute of Statistics (National Institute of Statistics of Romania, 2011)

The demographic data presented on the Table 5-3 below reveals a detailed picture of population distribution across the age groups at a national level and social AoI. The national level shows a peak in the 40-44 years age group, constituting 9.14% of the total population, while residents aged 85 or more represent the smallest proportion. Regionally, the data indicates a gradual decline in population percentage with increasing age, particularly beyond 60 years.

TABLE 5-3 DEMOGRAPHIC DISTRIBUTION BY AGE IN THE SOCIAL AOI AND NATIONAL LEVEL, 2023

Age group	Costești	Costești (%)	Pogoanele	Pogoanele (%)	Gherăseni	Gherăseni (%)	Smeeni	Smeeni (%)	Țintești	Țintești (%)	Luciu	Luciu (%)	National level	National level (%)
0-4 years	189	3.5%	<u>314</u>	4.3%	<u>110</u>	3.30%	<u>305</u>	4.8%	<u>240</u>	5.4%	<u>131</u>	4.6%	<u>986,845</u>	5.1%
5-9 years	<u>213</u>	4%	<u>315</u>	4.3%	<u>107</u>	3.21%	<u>325</u>	5.1%	<u>238</u>	5.4%	<u>109</u>	3.9%	<u>1,063,157</u>	5.4%
10=14 years	274	5.1%	<u>353</u>	4.8%	<u>148</u>	4.44%	<u>360</u>	5.7%	<u>259</u>	5.9%	<u>125</u>	4.4%	<u>1,098,760</u>	5.6%
15-19 years	268	5%	<u>381</u>	5.2%	<u>166</u>	4.98%	<u>346</u>	5.4%	<u>243</u>	5.5%	<u>138</u>	4.9%	<u>1,133,359</u>	5.8%
20-24 years	270	5.1%	<u>455</u>	6.2%	<u>178</u>	5.34%	<u>394</u>	6.2%	<u>254</u>	5.7%	<u>169</u>	6.0%	<u>1,134,512</u>	5.8%
25-29 years	270	5.1%	<u>430</u>	5.9%	<u>180</u>	5.39%	<u>387</u>	6.1%	<u>274</u>	6.2%	<u>158</u>	5.6%	<u>1,187,092</u>	6.1%
30-34 years	287	5.4%	<u>436</u>	5%	<u>176</u>	5.28%	<u>430</u>	6.7%	<u>299</u>	6.8%	<u>153</u>	5.4%	<u>1,507,206</u>	7.8%
35-39 years	423	8%	<u>485</u>	6.6%	<u>211</u>	6.3%	<u>444</u>	6.9%	<u>356</u>	8.1%	<u>183</u>	6.5%	<u>1,758,242</u>	9%
40-44 years	<u>402</u>	<u>7.6%</u>	<u>465</u>	6.4%	<u>204</u>	6.1%	<u>458</u>	7.2%	<u>316</u>	7.2%	<u>196</u>	7%	<u>1,767,273</u>	9.1%
45-49 years	437	8.2%	<u>513</u>	7%	<u>280</u>	8.4%	<u>486</u>	7.6%	<u>343</u>	7.8%	<u>222</u>	7.9%	<u>1,862,018</u>	9.6%
50-54 years	429	8.1%	<u>632</u>	8.6%	<u>297</u>	8.9%	<u>610</u>	9.6%	<u>362</u>	8.2%	<u>244</u>	8.7%	<u>1,794,244</u>	9.2%
55-59 years	306	5.7%	<u>401</u>	5.5%	<u>172</u>	5.1%	<u>366</u>	5.7%	<u>252</u>	5.7%	<u>168</u>	6%	<u>1,435,436</u>	7.4%
60-64 years	258	4.8%	<u>368</u>	5%	<u>196</u>	5.9%	<u>358</u>	5.6%	<u>261</u>	5.9%	<u>139</u>	4.9%	<u>1,210,745</u>	6.2%
65-69 years	303	5.7%	<u>383</u>	5.2%	<u>180</u>	5.4%	<u>316</u>	4.9%	<u>251</u>	5.7%	<u>126</u>	4.5%	<u>1,310,102</u>	6.7%
70-74 years	222	4.2%	<u>376</u>	5.1%	<u>181</u>	5.4%	<u>269</u>	4.24%	<u>171</u>	3.8%	<u>115</u>	4.1%	<u>1,076,593</u>	5.5%
75-79 years	115	2.1%	<u>211</u>	2.9%	<u>122</u>	3.6%	<u>177</u>	2.79%	<u>98</u>	2.2%	<u>84</u>	3%	<u>651,371</u>	3.3%
80-84 years	103	1.9%	<u>214</u>	2.9%	<u>122</u>	3.6%	<u>180</u>	2.83%	<u>117</u>	2.6%	<u>85</u>	3%	<u>469,423</u>	2.4%
>85 years	119	2.2%	<u>154</u>	2.1%	<u>106</u>	3.2%	<u>158</u>	2.49%	<u>118</u>	2.6%	<u>55</u>	1.9%	<u>426,407</u>	2.2%

Source: INSSE TEMPO ONLINE, POP108D⁸

⁸ TEMPO Online (insse.ro), accessed on July 16th, 2024

Based on the demographic data presented above, the average age varies across different regions compared to the national average. Localities such as Costești, Pogoanele, and Smeeni generally exhibit younger population profiles. In contrast, Țintești and Luciu show more balanced distributions, aligning with the national average across various age groups.

Table 5-4 offers insights into the income distribution, while Table 5-5 below provides a comprehensive overview of monetary and consumption expenses for some representative demographic groups in rural Romania for the year 2022, expressed in Romanian RON. Rural areas are typically defined by their lower population density, smaller settlements, and greater resilience on agriculture compared to urban areas. Based on these criteria, the AoI is considered a rural area.

TABLE 5-4 AVERAGE TOTAL MONTHLY INCOME PER HOUSEHOLD, BY INCOME CATEGORIES IN RURAL AREAS OF ROMANIA, 2022

Romanian RON	Employees	Farmers	Unemployed	Pensioners
Total Income	8132,22	4221,2	3321,85	3897,57
Monetary Income	7482,4	2857,42	2796,33	3339,3
Gross Salaries and Other Employment Rights	6846,98	593,62	858,74	941,59
Income from Agriculture	117,26	1448,67	177,82	85,49
Income from the Sale of Agricultural Products and Animals	104,95	914,22	-	53,77
Income from Agricultural Labor	12,32	530,51	177,82	14,55
Income from Social Benefits	446,1	413,19	750,65	2248,6
Pensions	171,03	80,24	102,09	2165,23
Child Allowances	207,78	264,68	378,58	38,36

Romanian RON	Employees	Farmers	Unemployed	Pensioners
Other Income	27,86	58,74	542,76	21,13
In-Kind Income	649,82	1363,77	525,52	558,27
Value of Consumption from Own Resources	558,46	1315,11	442,6	499,53
Cash Balance at the Beginning of the Period	705,61	595,83	748,59	479,7

Source: INSSE Tempo, BUF104

TABLE 5-5 MONETARY AND CONSUMPTION EXPENSES PER MONTH IN RURAL AREAS OF ROMANIA, 2022

Romanian RON	Employees	Farmers	Unemployed	Pensioners
Monetary expenses	6677,32	2581,29	2565,79	2782,95
Consumption expenses	3554	2071,73	2100,33	2127,3
Expenses for food and beverages consumed	1098,37	707,36	888,42	678,4
Purchase of food products	1049,67	693,57	870,93	665,5
Expenses in public catering units	48,71	13,79	17,49	12,9
Expenses for purchasing non-food goods	1664,78	965,07	757,01	976,38
Expenses for payment of services	790,84	399,31	454,9	472,52
Expenses for food and beverages not consumed (left in stock, given for	119,26	79,44	82,17	96,01

Romanian RON	Employees	Farmers	Unemployed	Pensioners
processing, given to animals, etc.)				
Investment expenses	113,74	10,78	-	32,02
Production expenses	37,75	127,25	7,65	47,2
Purchases of products for feeding animals and poultry	14,52	25,17	6,19	12,31
Purchases of animals for meat and fur, poultry	5,45	13,86	-	6,3
Purchases of products for sowing	4,52	31,99	1,46	6,21
Payment for household production labor	11,13	24,54	-	19,16
Deposits at CEC Bank, other banks, and similar institutions	69,54	7,23	-	56,3

Source: INSSE Tempo, BUF106

5.2 LAND USE AND OWNERSHIP

All communes within the Project AoI are classified as rural. This classification is based on the defined criteria which typically include factors such as population density, land use, and economic activities. Rural areas are characterized by lower population densities, larger geographical expanses of open space, and a primary reliance on agriculture and other primary sector activities. This sub chapter describes further land use and ownership practices in the Project AoI.

5.2.1 LAND OWNERSHIP

Most land in the Project AoI is owned privately, as presented in Table 5-6 below, which also reflects the status of land ownership at the national level.

TABLE 5-6 PRIVATE LAND OWNERSHIP IN THE PROJECT'S SOCIAL DIRECT AOI

Administrative Unit (ATU)	Territorial	Total land area (ha)	Private Property	Private land as % of total land area
Țintești Commune		7,197	6,440	89.5%
Costești Commune		5,710	5,378	94.2%
Gherăseni Commune		5,142	4,868	94.7%
Luciu Commune		8,674	7,126	82.2%
Smeeni Commune		10,458	10,091	96.5%

Source: INSSE Tempo Online, 2014 data

Table 5-7 below provides a detailed breakdown of private ownership by type of land use across different localities.

TABLE 5-7 PRIVATE OWNERSHIP BY TYPE OF LAND USE, SOCIAL AOI

Table text left	Costești	Gherăseni	Luciu	Țintești	Smeeni
Total, out of which:	94.2%	94.7%	82.2%	89.5%	96.5%
Total Agricultural area, out of which:	99.0%	99.9%	88.4%	97.7%	99.1%
Arable land	98.8%	99.9%	82.7%	97.2%	99.7%
Pastures	99.3%	100.0%	99.5%	99.7%	95.7%
Meadows	100.0%	100.0%	N/A		100.0%
Vineyards and vine nurseries	100.0%	100.0%	100.0%	100%	100.0%
Orchards and fruit tree nurseries	N/A	N/A	100.0%	N/A	N/A
Total Non-agricultural land, out of which:	27.2%	58.6%	26.3%	37.1%	45.2%

Table text left	Costești	Gherăseni	Luciu	Țintești	Smeeni
Forests and other forest vegetation	N/A	56.9%	7.1%		100.0%
Land covered with waters, ponds	0.0%	0.0%	0.0%		0.0%
Land covered with buildings	83.9%	100.0%	90.0%	98.1%	92.1%
Ways of communication and railways	0.0%	0.0%	3.1%		0.0%
Degraded and unproductive land	0.0%	0.0%	94.3%	0.0%	0.0%

Source: ERM 2023, INSSE Tempo Online, AGR101B, 2014 data

As per the Romanian Constitution, the right to private property is guaranteed for all (Constitution of Romania, Article 44). Legally, men and women have equal rights in Romania, including property rights. ERM's key stakeholder interviews conducted in April – May 2023 as part of the ESIA engagement with local farmers and relevant civil servants confirmed that access to property or inheritance rights by women is not an issue of concern. Several of the houses in the villages in the AoI, including associated land, were owned by women.

5.2.2 LAND LEASE CONTRACTS

Farmers in the Project AoI generally lease land via contracts with the local communes. Lease contracts for permanent pastureland are renewed on an annual basis, thus the land surfaces temporarily required for construction and permanently during operation (WTG foundations and crane pads, internal roads) can be removed by the Local Councils from the lease contracts.

The pastureland of the Communes is leased in its entirety, with one exception. In Gherăseni, the KII indicated that two out of the 12 sheepfolds currently leasing pastureland from the Commune announced they will not continue in the next year. 281 ha of pasture are currently assigned to the 12 sheepfolds (ranging from ca. 7.5 ha to ca. 34 ha), with 100 ha of pasture remaining unassigned, due to unattractiveness of the sector and lack of association.

APIA allocates subsidies of cca. 50-500 EUR /ha of permanent pasture outside the stabilization period (15 Nov until the week before Orthodox Easter - next is 05 May 2024).

APIA implements sanctions if the land is not managed in line with the Payment Claims made by 1st of March and 15th of May for the respective agricultural year:

- if more than 30% deviation is resulting from APIA's monitoring, all subventions are denied for 3 years, for all categories;
- if less than 30% - then the amount of subvention deduction is calculated based on the undeclared area.

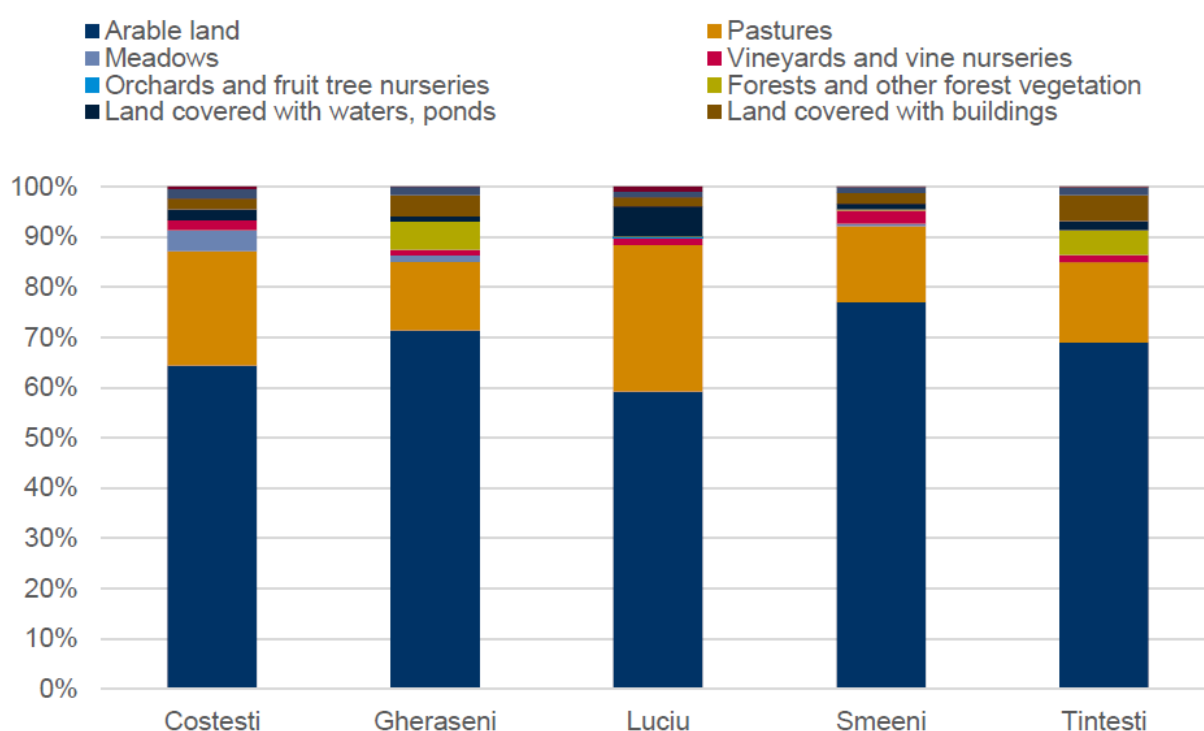
5.2.3 LAND USE

The land use in the Social AoI is characterized by the following:

- all the settlements have a marked rural character;
- across the Direct AoI the arable land represents the major land use, followed by pastures and forest, in different ratios;
- forest areas and forest plantations have only limited areas, mainly due to the steppe character of the region and expansion of agricultural activities in the past century.

Figure 5-2 below shows the land use ratio in each commune in the Project AoI. It can be seen that arable land is the main land use in all communes, followed by pastureland.

FIGURE 5-2 LAND USE RATIO, BY TYPE AND ATU



Source: INSEE, Tempo Online AGR101B, 2014 data

Table 5-8 below presents detailed numbers on land use allocation in each of the communes in the AoI in hectares (ha).

TABLE 5-8 LAND USE ALLOCATION BY TYPE IN THE SOCIAL AOI

	Costești		Gherăseni		Luciu		Țintești		Smeeni	
	Total surface (ha)		Total surface (ha)		Total surface (ha)		Total surface (ha)		Total surface (ha)	
Total Surface, out of which	5,710	100.0%	5,142	100.0%	8,674	100.0%	7,197	100.0%	10,458	100.0%
Total Agricultural Area, out of which:	5,327	93.3 %	4,493	87.4%	7,798	89.9%	6,216	86.4%	9,958	95.2%
• Arable land	3,677	64.4%	3,670	71.4%	5,135	59.2%	4,961	68.9%	8,050	77.0%
• Pastures	1,298	22.7%	703	13.7%	2,530	29.2%	1,150	16.0%	1,584	15.1%
• Meadows	236	4.1%	64	1.2%		0.0%	-	-	49	0.5%
Vineyards and vine nurseries	116	2.0%	56	1.1%	127	1.5%	105	1.5%	275	2.6%
• Orchards and fruit tree nurseries	-	0.0%	-	0.0%	6	0.1%	-	0.0%	-	0.0%
Total Non-agricultural land, out of which:	383	6.7%	649	12.6%	876	10.1%	981	13.6%	500	4.8%
Forests and other forest vegetation	-	0.0%	290	5.6%	14	0.2%	355	4.9%	16	0.2%

	Costești		Gherăseni		Luciu		Țintești		Smeeni	
• Land covered with waters, ponds	122	2.1%	54	1.1%	519	6.0%	127	1.8%	120	1.1%
Land covered with buildings	124	2.2%	215	4.2%	160	1.8%	371	5.2%	228	2.2%
Ways of communication and railways	107	107 1.9%	87	1.7%	96	1.1%	117	1.6%	126	1.2%
Degraded and unproductive land	30	0.5%	3	0.1%	87	1.0%	11	0.2%	10	0.1%

Source: INSEE, Tempo Online AGR101B

5.1 LIVELIHOODS

Given the rural character of all territorial administrative units (ATU), the main livelihood activity confirmed by KII in the AoI is agriculture, practice at both economic and subsistence levels.

In Buzau County, the number of people engaged in agriculture dropped from 53,000 in 2017 to 25,700 in 2021 (Buzau 2022 Statistical Yearbook), reflecting both the demographic trends and the increasing automation of farming activities, among other factors.

Less than 5% of the total people that were engaged in agriculture in 2021 were also earning a salary. This results in most farmers being self-employed or unpaid domestic workers, which is increasing the risk of poverty and exclusion.

The livelihood is diversifying, with the development of tertiary sector, in terms of health services, education services, commerce, along with commuting for work to Buzau City. Equipment and accessories manufacturing, energy production are becoming part of the local economy, whilst retail, commerce, construction, and trade are expanding.

Additionally, public administration and health and education sectors provide jobs for local people in most part, although workers from outside the five communes could commute in the AoI.

Pensioners represent a larger share of the population and face challenges, in particular farmers pensioners.

No tourist accommodation is available in the direct Social AoI. Hotel and guest houses are available in Buzau City and in the NW part of the County, in Sarata Monteoru Resort (approx. 20 km by road from Costesti). Spataru Forest is declared a national park and could attract tourists from Buzau, however only one guest house is advertising online.

5.1.1 AGRICULTURE

Agriculture represents an important livelihood activity for Romania, albeit its limited contribution to national GDP. The employment rate for the rural working age population of Romania was 55.5% in 2021.

In 2021, the crop production represented 71.2 % of the total agricultural output, followed by animal husbandry with 27% and agricultural services with 1.8%. Table 5-9 below presents more details regarding agricultural outputs in Romania.

Crop production includes cultivation of cereal, fruit and vegetables, technical crops, fodder, etc. Major agricultural regions are represented by the Romanian Plain (in the South and East of the country) and the Western Plain (in the West), where ample arable land is available. Transylvania (in the centre of the country) and North-East Region are predominantly dedicated to animal husbandry as they do not benefit from significant arable capacities.

Romania had in 2021 2,887,067 agricultural holdings (31% from total EU holdings). According to Eurostat⁹, there were more than twice the number of farms in Romania as the next Member State in 2020; as there were 1.3 million farms in Poland (the equivalent of 14.4 % of the EU total), with 1.1 million farms in Italy (12.5 %) and 0.9 million in Spain (10.1 %).

⁹ Source: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Farms_and_farmland_in_the_European_Union_-_statistics#Farms_in_2020

In 2020, the value of the total output of the sector dropped by 9.5% compared to 2019, in the light of the disruptive effect of the COVID19 lock-down. The sector recovered in 2021, with a year-on-year increase of 27.6%. Crop production generated 71.2% of the total output of the sector.

TABLE 5-9 NATIONAL OUTPUT OF THE AGRICULTURAL BRANCH

	2019	2020	2021
<i>Thou lei (current price)</i>			
Total	89,989,063	81,400,417	103,878,603
Crop production	62,967,346	52,806,967	73,961,894
Animal production	25,228,818	26,757,020	28,024,814
Agricultural services	1,792,899	1,836,430	1,891,895
<i>Structure (%)</i>			
Total	100.0	100.0	100.0
Crop production	70.0	64.9	71.2
Animal production	28.0	32.9	27.0
Agricultural services	2.0	2.2	1.8
<i>Agricultural output indices (previous year = 100)</i>			
Total	96.2	84.6	114.3
Crop production	94.4	78.5	122.2
Animal production	99.2	98.8	99.8
Agricultural services	132.3	98.8	99.3

Source: Source: ERM 2023 based on INSSE data¹⁰

5.1.2 CROP PRODUCTION

Crop production of cereals (corn, wheat, barley), vegetables and fodder represent the key crops in Buzau County, that in 2021 placed the County on number 11 in the County in terms of cultivated surface (Buzau 2022 Statistical Yearbook).

This County allocation is reflected in the direct Social AoI, where the Project is to be implemented.

Smeeni Commune has the largest share of arable land (77.0%) of its total surface and Luciu commune, at the other side of the spectrum, with 59% of its total surface occupied by arable plots. In this context, crop production is the main livelihood activity in the AoI, confirmed by the KII conducted during the ERM Field Survey.

The majority of the land is cultivated with cereals (corn, sunflower, wheat), with more limited areas dedicated for vegetables cultivation (tomatoes, potatoes) and watermelons, due to the

¹⁰ Source: https://insse.ro/cms/sites/default/files/field/publicatii/statistical_yearbook_of_romania_book-edition2022.pdf

limited surfaces benefitting from irrigation¹¹ - Table 5-10 below for an overview of main crops cultivated, according to the information provided by KII and included in the 2021 - 2027 Local Development Strategies developed for each ATU.

TABLE 5-10 MAIN CROPS IN THE AOI

ATU	Main Crops
Costești	<ul style="list-style-type: none"> • corn, wheat, sunflower, rapeseed • vegetables: peas, barley, potatoes, onions
Luciu	<ul style="list-style-type: none"> • corn, wheat, sunflower, rapeseed • limited tomatoes crops (less than 10 acres)
Țintești	<ul style="list-style-type: none"> • corn, sunflower • vegetables, potatoes
Gherăseni	<ul style="list-style-type: none"> • corn, wheat, sunflower, rapeseed, alfa alfa • vegetables: tomatoes, potatoes
	<ul style="list-style-type: none"> • Vineyards
Smeeni	<ul style="list-style-type: none"> • wheat, corn, barley, canola, sunflower and millet • vegetables

Source: ERM 2023, based on data provided by KII

Cereal production is dominated by larger farmers, although there are small farmers cultivating one to three ha of land also, according to the Agricultural Registry representatives in each commune, interviewed during the ERM Field Survey. Many of the owners of smaller land plots are leasing land to the larger farmers in exchange of land rent or produce.

All cultivated arable land benefits from subsidies, averaging 1,300 RON (equivalent of 260 Euro) per ha per year, depending on the type of crop. Subsidies are paid by the National Agency for Payments in Agriculture (APIA) and APIA employees inspect the land on-site or through tele-detection to verify eligibility and ensure compliance. Cereal farmers sell their produce to traders in most part, with larger farmers investing in storage capacities.

Vegetable production is conducted at a smaller scale, due to lack of land improvements (i.e. irrigation) and higher workforce requirements. In Gherăseni, however, it is strongly represented. The surface cultivated with vegetables was over 174ha in 2020 (Gherăseni Commune SDL 2021 – 2027).

Many of the more labor-intensive ones like tomatoes, the work is conducted by the extended family to a very large extent. In some families, the younger generation is actively contributing to the farming family business, whilst in others they decide to take on studies and other opportunities in the Buzău City or elsewhere, leaving their ageing parents unable to maintain the scale of farming activities.

Limited Liability Companies – in Romanian SRL and Associations are usually cultivating surfaces over 100 ha of land, Authorised Natural Persons – in Romanian 'Persoana Fizică Autorizată (PFA)' – are cultivating surfaces over 50 ha. Natural persons who apply for subsidies registered as farmers with the Agricultural Registry of the ATU they belong and with APIA – The Agency for Payments and Intervention for Agriculture. Additional forms of ownership are Family Enterprises

¹¹ Note: according to the Buzău County 2022 Statistical Yearbook, only 3% of the total arable

and Individual Service Provider. The same type of ownership applies for animal husbandry activities, outlined below.

5.1.3 ANIMAL HUSBANDRY

Animal husbandry is also a key livelihood in the AoI, practiced economically and also as a subsistence activity. Most of the large farmers also cultivate arable land and produce required fodder. The community at large, however, practices animal husbandry as a secondary or primary livelihood activity. It includes sheep, cows, goats, pigs and birds and processing (sheep milk cheese). For the number recorded for sheep and cows using the pastureland varies across the AoI – see Table 5-11 below.

Table 5-11 ESTIMATED NUMBER OF SHEEP AND COWS PER COMMUNE

Commune	Cattle	Sheep
Țintesti	628	2637
Costesti	50	4,000
Gheraseni	30	3,000
Luciu	200	8,000
Smeeni	556	15,000
Pogoanele	N/A	N/A

Source: ERM 2023 Field Survey and LDS

Several KII included discussions on the fact that the pastureland is providing the required nourishment for only three months (Apr – Jun) in the last few years, due to registered drought and that some shepherds may not supplement sufficiently leading to concerns for animal welfare.

For this activity, same as for crop production, available workforce was an issue during the KII. With the generations, fewer young persons continued to be involved in this activity and currently shepherds are usually coming from the mountain areas. Continuity of work is becoming problematic in this case and older farmer are deciding to quit maintaining their herds.

There is an Animal Breeders Association in Luciu only – but the need for such Associations to be created was mentioned by the other ATUs representatives during the ERM Field Survey.

5.1.4 OTHER LIVELIHOODS

Wood harvesting was not reported to be done extensively. Spataru Forest and Bradeanu Forest are both protected forest areas. Gheraseni forested area was also not mentioned as a livelihood source.

In Luciu Commune is registered one of the biggest fish farms in the Buzău County, of around 359 ha. However, it dried up almost entirely in recent times and it now covers only 20 ha, according to the representatives of the local administration interviewed during the ERM Field Survey. KII interviewees mentioned that the fishing activity is very limited, particularly during the past few years due to drought, and is conducted for recreation purposes. Vulnerable groups may be engaged in firewood harvesting and subsistence fishing (secondary, when available), however this is subject to further engagement and study.

Hunting was not mentioned as a livelihood activity during the KII, however there is potential for bird hunting, and secondarily for rabbits, which may be practiced as a complementary subsistence activity by some community members.

5.2 ECONOMY AND EMPLOYMENT

In 2021, the active population of Buzău County was approximately 134,000 people and included 82,000 people in employment, according to the Buzău County 2022 Statistical Yearbook (National Institute of Statistics, 2022).

25,700 people are engaged in agriculture, however less than 5% of them were employed in this sector in 2021.

Table 5-12 includes the total number of employees in the County in 2021 according with INSSE data. Manufacturing sector has the largest employment base, followed by Trade, with a relatively balanced distribution across genders.

Following sectors are Human Health and Education, where more of 80% of the employed population is represented by women and Construction and Agriculture, where most jobs are occupied by men.

TABLE 5-12 EMPLOYEES IN 2021 IN BUZĂU COUNTY BY GENDER AND SECTOR OF THE ECONOMY (2021)

Economy sector CANE Rev.2	Total number of employees	Male	Female
Manufacturing	22,840	52,8	47,2%
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	17,375	41.6%	58.4%
Human Health and Social Work Activities	7,377	18.6%	81.4%
Construction	6,748	87.4%	12.6%
Education	6,120	18.6%	81.4%
Agriculture, Forestry And Fishing	4,170	72.4%	27.6%
Transportation and Storage	4,082	80.6%	19.4%
Public Administration and Defence; Compulsory Social Security	3,771	46.0%	54.0%
Administrative and Support Service Activities	3,724	65.0%	35.0%
Water Supply; Sewerage, Waste Management and Remediation Activities	2,947	73.2%	26.8%
Accommodation and Food Service Activities	2,881	37.2%	62.8%
Professional, Scientific and Technical Activities	1,921	53.9%	46.1%
Financial and Insurance Activities	860	25.5%	74.5%
Information and Communication	800	58.0%	42.0%
Electricity, Gas, Steam and Air Conditioning Supply	742	80.1%	19.9%

Economy sector CANE Rev.2	Total number of employees	Male	Female
Arts, Entertainment and Recreation	719	37.1%	62.9%
Mining and Quarrying	610	85.2%	14.8%
Other Service Activities	513	53.6%	46.4%
Real Estate Activities	336	62.5%	37.5%

Source: INSSE, Tempo Online FOM105F

In the AoI, the number of employed people (wages employment) presents a relatively stable trend between 2017 and 2021, with a limited negative variation in 2020, since number of people employed started to go up again - see Figure 5-7 and Table 7-10 for more details.

The total number of employees is larger in Costești and Smeeni, reflecting the larger population. Luciu Commune has the highest % of unemployed population (12%), while Costești has the smallest rate registered. Costești Commune, and Spătaru Village in particular, are located at 9 km of Buzău city and attracted several companies that located their facilities in the area in the last decade.

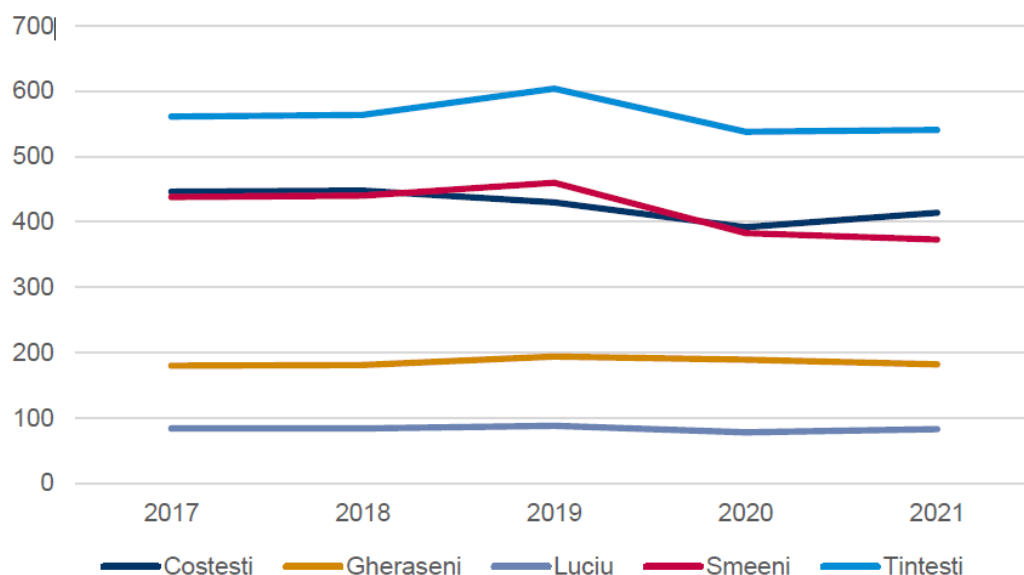
Key informant interviews confirmed that workers are commuting to Buzau City from Gheraseni, Smeeni and Pogoanele City.

On the other hand, Luciu commune is located at approximately 35 km from Buzău, implying commuting challenges for residents in terms of cost and time required; furthermore, the number of registered companies in Luciu is very low compared to the other larger administrative units. A large number of the employed population from Luciu (approx. 100 persons) commute to Cilibia Commune working to CocoRico9, a poultry processing plant, while an estimated 200 people from Țintești commute for work to Buzău. Many community members temporarily migrate for work and return with income they invest in their living conditions.

Tintesti houses a relevant waste recycling company. Main employment sectors include the public sector - administration, education and health and the private sector - mainly manufacturing, construction, commerce, transport and agriculture companies present in the local area.

Figure 5-3 below presents the average number of people in employment in each commune in the AoI in 2021.

FIGURE 5-3 AVERAGE NUMBER OF EMPLOYED PEOPLE PER ATU (2021)



Source: Source: ERM 2023, based on information provided by the National Institute for Statistics

See above for details of the economic actors present locally. Additionally, people are commuting for work to Buzău City, across the AoI, but in particular in Costești and Smeeni.

Table 5-13 below provides the number of employed and unemployed persons by Administrative Territorial Unit (ATU) for the year 2021, and Table 5-14 presents the average number of registered unemployed persons for the year 2024, disaggregated by gender, to offer a detailed view of unemployment trends among men and women.

TABLE 5-13 NUMBER OF EMPLOYED AND UNEMPLOYED PERSONS BY ATU (2021- 2022)

Administrative Territorial Unit (ATU)	Costești Commune	Gherăseni Commune	Smeeni Commune	Țintesti Commune	Luciu Commune
Total Population (2021)	4,875	3,242	6,480	4,518	2,659
Average number of employees (2021)	414	182	373	541	83
Average number of registered unemployed (2021)	80	64	160	113	196
Average number of registered unemployed (2022)	75	59	101	124	141

Source: Source: ERM 2023, based on information provided by the National Institute for Statistics

TABLE 5-14 AVERAGE NUMBER OF REGISTERED UNEMPLOYED BY GENDER (2024)

Administrative Territorial Unit (ATU)	Costești Commune		Gherăseni Commune		Smeeni Commune		Țintești Commune		Luciu Commune	
Sex	M	F	M	F	M	F	M	F	M	F
Average number of registered unemployed (2024)	42	30	33	19	54	36	69	40	87	47

Source: INSEE Tempo online SOM101E

Unemployment in the direct Social AoI reflects the national and county trends and is decreasing year on year following 2022.

In terms of gender, the communes also reflect the larger context, with registered male unemployment being significant larger than female unemployment – see Table 5-15 for a more detailed view of the unemployment rate by gender in each ATU in 2021 and 2022 and Table 5-16 below for more details on the numbers of unemployed people registered in the ATUs in 2022, by gender.

TABLE 5-15 SHARE OF REGISTERED UNEMPLOYED AT THE END OF THE MONTH IN THE TOTAL LABOUR RESOURCES, BY GENDER AND ATU (2021)

Administrative Territorial Unit (ATU)	Total		Male		Female	
	2021	2022	2021	2022	2021	2022
Buzău County	3	2.8	3.4	3.2	2.5	2.4
Țintești	4.1	4.6	5.2	5.6	3.1	3.5
Costesti	2.6	2.5	2.9	2.9	2.3	2
Gheraseni	3.3	3.2	3.6	4.1	3	2
Luciu	12	8.6	14	10.6	9.2	6.1
Smeeni	4	2.6	4.8	2.8	3.2	2.3

Source: Source: ERM 2023, based on information provided by the National Institute for Statistics

Table 5-16 below shows unemployment numbers for the communes in the Project AoI, divided by gender.

TABLE 5-16 UNEMPLOYMENT BY ATU AND GENDER (2022)

Administrative Territorial Unit (ATU)	Total	Male	Female
Țintești	124	78	46
Costesti	75	46	29
Gheraseni	59	42	17
Luciu	141	95	46

Administrative Unit (ATU)	Territorial	Total	Male	Female
Smeeni		101	59	42

Source: Source: ERM 2023, based on information provided by the National Institute for Statistics

5.3 INFRASTRUCTURE AND PUBLIC SERVICES

Most of the households in the Social AoI are connected to the centralised power supply. Additionally, wood and coal are used for heating, while cooking is mostly done via liquified petroleum gas tanks. The communes are also connected to the centralised water supply systems, however there are some challenges with the wastewater treatment, with part of the Social AoI not being part of the centralised sewage system (including Smeeni, Costești, and parts of Pogoanele). Although the waste management system is present in all communes, it appears to be inadequate with waste collecting on the streets.

The housing stock consists largely of detached houses, but some blocks of flats are also present in Pogoanele and Smeeni. Around 100 of new houses are built each year in rural areas of the Social AoI

5.4 EDUCATION

In the direct Social AoI, pre-school, primary and lower secondary education is available in all communes. In Romania, there is a minimum number of 12 students for allowing the formation of a class, thus the education services are concentrated in the larger settlements in the Direct AoI.

All villages' seats of the commune benefit from pre-school, primary and lower secondary education. Free-of-charge transportation is offered to all students in settlements without schools (i.e. Sudiți village from Gherăseni Commune, Bălaia, Moșica or Udați Mânzu in Smeeni Commune or Gomoști and Groșani villages in Costești commune.

See

Table 5-17 below for more details on the distribution of education units across the direct Social AoI.

TABLE 5-17 NUMBER OF EDUCATION UNITS IN THE DIRECT SOCIAL AOI, BY LEVEL

Administrative Territorial Unit (ATU)	Settlement	Kindergartens	Primary education	Lower secondary	Upper secondary	Vocational education
Gherăseni Commune	Gherăseni	1	1	1	0	0
	Sudiți	0	0	0	0	0
Pogoanele	Pogoanele					

Administrative Territorial Unit (ATU)	Settlement	Kindergartens	Primary education	Lower secondary	Upper secondary	Vocational education
Țintești Commune	Țintești	1	1	0	0	0
	Pogonele	1	1	0	0	0
	Maxenu	0	0	0	0	0
	Odaia Banului	1	1	1	0	0
Smeeni Commune	Smeeni	1	1	1	0	1
	Albești	1	0	0	0	0
	Bălaia	0	0	0	0	0
	Călțuna	1	0	0	0	0
	Moisica	0	0	0	0	0
	Udați-Lucieni	1	1	1	0	0
	Udați-Mânzu	0	0	0	0	0
Luciu Commune	Luciu	1	1	1	0	0
	Caragele	0	0	0	0	0
Costești Commune	Costești	1	0	0	0	0
	Budișteni	1	0	0	0	0
	Gomoești	0	0	0	0	0
	Groșani	0	0	0	0	0
	Pietrosu	1	0	0	0	0
	Spătaru	1	0	0	0	0

Source: *INSSE Tempo online data and KII, 20203*

See Table 5-18 below for more details on the number of enrolled students in each ATU, by level of education. Notable changes include a significant decrease in the total number of persons enrolled in Costesti and a marked drop in lower secondary education enrollment. Smeeni shows a clear increase in the number of children attending kindergarten. Meanwhile, Țintești experiences a decline in kindergarten enrollment.

TABLE 5-18 ENROLLED POPULATION IN THE DIRECT SOCIAL AOI, BY LEVEL OF EDUCATION AND ATU (2021 - 2022)

Administrative Territorial Unit (ATU)	Total		Children in kindergarten		Pupils enrolled in primary education		Pupils enrolled in lower secondary education		Pupils enrolled in upper secondary education		Pupils enrolled in vocational education	
Year	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Țintești	420	418	107	100	168	175	145	143	313	-	0	0
Pogoanele	1008	1020	160	159	308	312	272	258	162	169	106	122
Costești	493	407	93	87	186	152	214	168	0	0	0	0
Gheraseni	262	248	58	59	101	98	103	91	0	0	0	0
Luciu	262	261	55	53	107	118	100	90	0	0	0	0
Smeeni	858	871	172	180	258	261	253	248	125	131	50	51

Source: INSSE Tempo Online SCL103D

The educational facilities are mostly in good shape and provide the required setting for the educational activities, albeit financial support for extra-curricular activities was mentioned to be deficient, resulting in a very limited exposure of children to educational and cultural activities outside the school perimeter.

Additional funding is required for outdoor sport facilities, across the direct Social AoI and for all education levels.

All schools provide social scholarships for students from low-income families and merit scholarships. In Luciu commune, approximately 100 social scholarships (approximate value of 40 EUR/ month) are provided – representing 40% of the total student population.

Additionally, school supply vouchers (approximate value of 100 EUR/ twice of year) are offered to low-income families.

Details about education attainment within the direct Social AoI were not available at the time of the ESIA was developed, and as of 2024, this information has still not been published by INSSE despite by earlier expectations.

Table 5-19 indicates trends in educational attainment across direct Social AoI from 2011 to 2021. Notable patterns include a general decrease in both total and primary and lower-secondary education enrollment in Țintești and Smeeni, which might be attributed to a decline in the number of children or a shift of school attendance to a more urban areas like Buzau.

TABLE 5-19 NUMBER OF GRADUATES BY LEVEL OF EDUCATION IN THE AOI (2011 -2021)

Administrative Territorial Unit (ATU)	Total		Primary and lower-secondary		Upper secondary education		Vocational education	
Year	2011	2021	2011	2021	2011	2021	2011	2021
Țintesti	30	25	30	25	-	-	-	-
Pogoanele	114	122	65	69	49	34	-	19
Costesti	42	59	42	59	-	-	-	-
Gheraseni	31	31	31	31	-	-	-	-
Luciu	23	24	23	24	-	-	-	-
Smeeni	112	88	66	52	56	26	-	10

5.5 HEALTH INFRASTRUCTURE

The medical infrastructure in the direct Social AoI is adequate, with more services available in Smeeni. According to KII, which took place between 16 March and 26 July 2023 in the Project area for the ESIA development, most residents travel to Buzau for specialized healthcare and medical examinations. Each ATU is equipped with family doctors and medical nurses, who are the primary point of contact with the healthcare system and are typically based in the commune centres.

In Costesti and Luciu, community nurses are accessible to provide basic consultations and health support, often spending much of their time visiting patients who are unable to travel. In Costesti, which has a significant Roma population, a dedicated Roma mediator supports the health staff by providing basic frontline assistance and facilitating medical activities.

Table 5-20 below outlines the distribution of medical services across different ATUs in the Project area.

Elderly care infrastructure is also present in the Social AoI:

- Elderly care - permanent centre in Costesti. The Centre is managed by the Local Council and has a staff of 20 and 42 beneficiaries;
- Elderly care permanent centre (managed by The General Directorate of Social Assistance and Child Protection Buzău) and daily care elderly centre in Smeeni (managed by the Smeeni Local Council);

TABLE 5-20 HEALTH INFRASTRUCTURE IN THE DIRECT SOCIAL AOI

(ATU)	Family doctors' office	Community nurse	Pharmacies	Specialist treatment	Dentist	Hospital/ Clinic
Țintesti	-	-	-	-	-	2 medical centres in Tintesti and Maxenu
Pogoanele	-	-	-	-	-	-

(ATU)	Family doctors' office	Community nurse	Pharmacies	Specialist treatment	Dentist	Hospital/ Clinic
Costesti	two in Costesti and one in Spataru	one + one Roma Mediator	two in Spataru and one in Costesti	-	one Spataru -	-
Gheraseni	two in Gheraseni	-	three in Gheraseni	-	-	-
Luciu	one in Luciu	one	one in Luciu	-	-	-
Smeeni	two in Smeeni and one in Udati Lucieni	-	three in Smeeni and one in Udati Lucieni	Smeeni: Pneumology and Pediatrics	-	Smeeni Hospital for Chronic Diseases. First aid only.

Source: ERM Field Survey Apr – May 2023

The need for additional infrastructure, staff, and funding to address the challenges posed by the aging local population was mentioned by all local authorities' representatives. The existing facilities are insufficient, yet funding and capacity to extend the network are very limited

5.6 VULNERABLE GROUPS

In accordance with the applicable international standards vulnerable people are those who are more likely to be adversely affected by project impacts due to their disadvantaged status. This may include individuals or groups who, by virtue of their age, gender, ethnicity, health status, economic status, or other criteria, face greater challenges in participating in development processes and accessing project benefits. Vulnerable people often require special consideration to ensure they are adequately protected and included in project planning and implementation¹².

The project recognizes the importance of identifying and supporting these vulnerable groups, which include but are not limited to:

- Low-income households. These households have limited financial resources, making them more vulnerable to economic changes and project impacts. They may struggle to cope with disruptions to their income or increased costs resulting from the project.
- Unemployed youth. Young people without jobs are at a higher risk of social and economic marginalization. They may lack the skills or opportunities to benefit from new employment created by the project and may need targeted training and support programs.
- Ethnic Minority Groups – e.g. Roma minorities. Ethnic minorities often face systemic discrimination and exclusion, limiting their access to project benefits. They may require specific outreach and inclusion strategies to ensure their needs and rights are addressed.

¹² Please note, that the term "vulnerable groups" was chosen to align with the wording of the applicable international standards. Nevertheless, this document acknowledges that people are not vulnerable as such, but that they might be in a vulnerable position. Hence, the vulnerability that they are experiencing is situational and does not define them, despite using the term "vulnerable groups" throughout the document.

- Pensioners/ farmer pensioners. Elderly individuals, especially those relying on small pensions or farming income, are less resilient to changes. They might need additional support to adapt to any changes in land use or disruptions caused by the project.
- Disabled persons. People with disabilities may face physical, social and economic barriers that affect their full participation in the project. Ensuring accessibility and providing specialized service can help integrate them into project benefits.
- Female-headed households, including single mothers and widows. These households often have fewer economic resources and greater caregiving responsibilities. They may need tailored support to ensure they can maintain their livelihoods and support their families.
- Farmers with particularly low incomes and high land dependency for subsistence and income generation. They may require compensation, livelihood restoration programs and assistance finding alternative income resources.

Table 5-21 below presents data on various vulnerable groups within the communes of Costești, Gherăseni, Smeeni, Țintești, and Luciu. Please note that the Roma population figures are approximations calculated from percentages, indicating a notable presence in the AoI. The Guaranteed Minimum Income (VMG) and Family Support Allowance (ASF) figures show the extent of social welfare dependency.

TABLE 5-21 OVERVIEW OF VULNERABLE GROUPS IN AREA OF INFLUENCE

Vulnerable Groups	Costești	Gherăseni	Smeeni	Țintești	Luciu
Roma (calculated from %)	336	~60	~90	~212	~190
Unemployed	72	52	90	109	134
Guaranteed Minimum Income (VMG)	69	69	69	69	69
Family Support Allowance (ASF)	32	32	32	32	32
Elderly Care - Permanent Centre	42	N/A	N/A	N/A	N/A

Source: ERM, 2023.

6. SOCIO-ECONOMIC SURVEY RESULTS

This chapter presents the findings of the social survey conducted as part of the development of the LRP for communities impacted by the Project. The survey was designed to capture the socioeconomic profiles, needs, aspirations, and challenges of the affected populations to inform the creation of effective strategies for restoring and enhancing livelihoods. Gathering insights directly from the affected individuals ensures that the LRP is rooted in the realities of those who are most impacted, allowing for tailored interventions that respond to specific local conditions.

The survey targeted landowners and users whose lands are (partially) impacted by Project components, as well as key informants, such as local leaders and community representatives. The Community Liaison Officer (CLO) visited the local public administrations to present the project's layout. In collaboration with the administration staff, the CLO used this layout to identify the names of individuals potentially impacted by the project. However, due to the lack of precise land parcel boundaries, it was not possible to accurately determine which specific portions of land belonged to each individual. As a result, the exact percentage of land affected for each person remained unclear, making it challenging to assess the project's precise impact on individual landowners.

The survey was conducted using the tools described in Chapter 3 in particular the socio-economic survey questionnaires (Appendix A) of project affected people, the guiding questions for key informants (Appendix D), as well as the focus group discussion questionnaires (Appendix B).

This chapter outlines the key findings from the survey, highlighting trends, concerns, and opportunities raised by the affected people. Overall, the socio-economic situation of the surveyed community is characterized by a strong attachment to agriculture, modest income levels, and an aging demographic.

These results form the evidence base that will guide the LRP's interventions, helping to ensure that livelihood restoration not only compensates for losses but also fosters long-term resilience and development for the communities involved.

6.1 FOCUS GROUP DISCUSSIONS AND KEY INFORMANT INTERVIEWS

As part of the socio-economic assessment, a series of Focus Group Discussions (FGDs) and Key Informant Interviews (KIIs) were conducted to gather insights into the potential impacts of the project on local livelihoods, land use, and governance structures. The discussions aimed to identify community challenges, vulnerabilities, and potential mitigation measures, ensuring that diverse perspectives were considered in the planning and implementation of livelihood restoration strategies.

A single FGD was conducted with the Luciu Animal Breeder's Association, revealing key concerns related to financial constraints and subsidy insufficiency. Participants emphasized that available subsidies were too low to sustain livestock farming effectively. Although a particular sum was not facilitated, it was noted that the association pays a lease fee of 350 RON/ha to the town hall. Despite having access to alternative grazing land, the decline in livestock numbers has reduced the overall demand for pasture. For instance, one member noted a sharp decline from 400 cattle to fewer than 50 over time. Additionally, drought conditions have exacerbated challenges, impacting water availability and forage quality, further straining livestock farmers in the area.

Participants also emphasized the need for animal enclosures to facilitate better livestock management and mitigate space constraints. Additionally, they highlighted the importance of training programs for farmers to enhance agricultural knowledge and adaptability. While no major land-use conflicts were reported, drought conditions and financial difficulties remain significant concerns. Farmers suggested that continued engagement should be flexible and need-based, allowing them to voice concerns and access necessary support when required.

The KIIs, conducted primarily with local authorities, provided insights into the administrative aspects of land use, community concerns, and potential livelihood restoration strategies. Officials confirmed that no major conflicts had arisen between the project and local governance, with land transactions being handled through formal lease agreements.

Regarding livelihood restoration, authorities suggested measures such as job creation, compensation, and agricultural training programs. They emphasized that young farmers must undergo specialized training to qualify for increased financial support. Additionally, authorities mentioned that alternative opportunities, such as irrigation projects and infrastructure improvements, could be considered as community development activities performed by the Project developers.

In terms of vulnerable groups, officials noted that while some households face financial difficulties, there were no significant cases of extreme vulnerability or disabilities within the community.

Regarding the grievance mechanism, the local administrations confirmed the presence of complaint submission boxes, where individuals can formally address grievances. In two cases, it was found that a grievance box was under CCTV surveillance, prompting a recommendation from the LRP team to relocate it to a more private area.

Findings from these engagements offer an understanding of community dynamics, governance structures, and socio-economic vulnerabilities, which will be essential in developing targeted interventions for livelihood restoration and community support.

6.2 SURVEY SHORTCOMINGS

The Project acknowledges that full land data, including details on APIA blocks and private land plots, was obtained very late in the process due to APIA's initial reluctance to cooperate. As a result, the socio-economic survey focused on the 67 PAHs already identified at the time of conducting the survey with the help of the local Mayors as per their lease records with sheep farmers. Now that the project has been mapped against APIA blocks, further engagement with the Communes will confirm if additional PAPs are using the land or if the initially identified sheep farmers are the current users of all the identified APIA blocks.

The project will also look to identify all the remaining land users and private landowners whose plots fall within the project's area of influence throughout the LRP implementation process and continue to raise awareness on the LRP process in the project area.

6.3 TURNOUT OF ATTENDANCE AND QUESTIONNAIRE COMPLETION

Prior to receipt of updated land data, a total of 67 PAH were identified and invited to participate in socio-economic surveys of which 38 attended the stakeholder engagement sessions and 32 completed the socio-economic questionnaires. This represents a response rate of 48%. Table

6-1 shows the total number of identified impacted individuals, the number of attendees, and the questionnaire completion count, categorized by commune. Figure 6-1 below illustrates the respondent turnout as percentages, while Figure 6-2 displays the population pyramid of age group and gender distribution of the surveyed individuals.

TABLE 6-1 SUMMARY OF IDENTIFIED IMPACTED INDIVIDUALS AND QUESTIONNAIRE RESPONSE DATA

Commune	Luciu	Pogoanele*	Smeeni	Gheraseni	Costesti	Tintesti	Cilibia*
Total number of identified impacted individuals	8	20	17	4	8	5	3
Attendee count	7	6	7	3	8	4	3
Questionnaire completion count	6	2	7	3	8	3	3

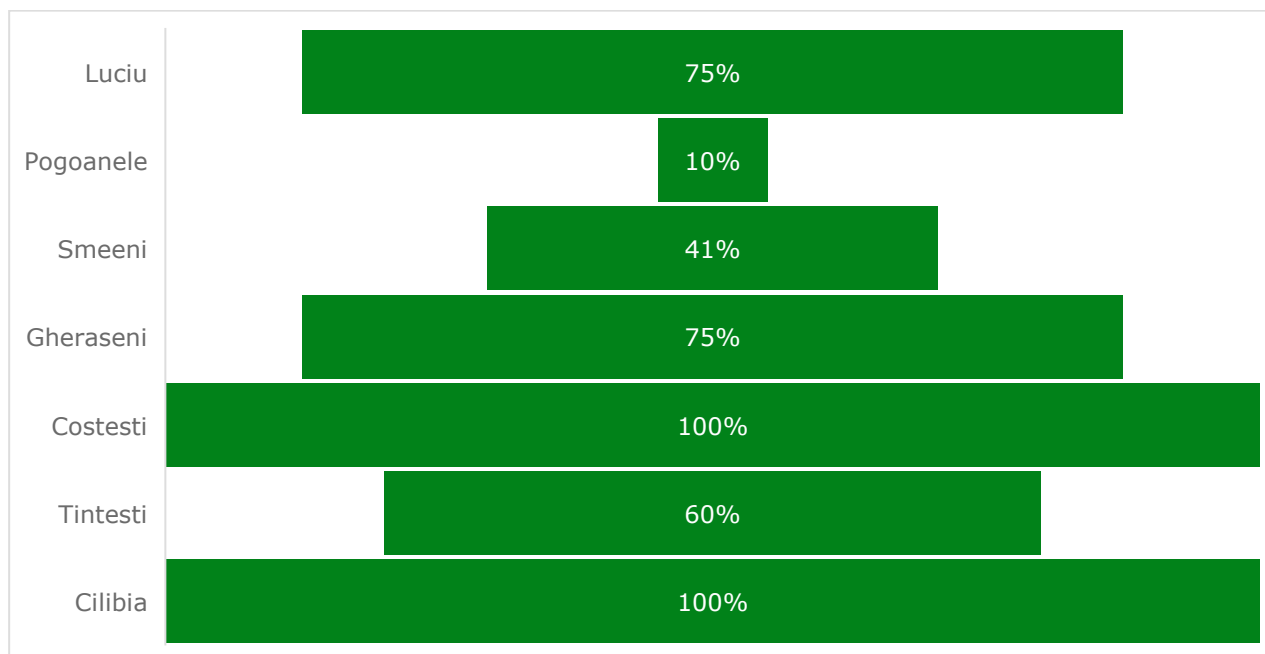
*Pogoanele Town and Cilibia Commune own part of the pastureland in Luciu commune

Figure 6-1 below presents the participation of the impacted individuals in each commune in the completion of the questionnaires. In two communes the participation rate was 100%, indicating full engagement from all impacted individuals, whereas, in the other communes the participation rate varied, with two reaching 75%, one at 60%, another at 41%, and the lowest at just 10%. This uneven participation highlights differences in community involvement and engagement levels across the region, which may affect the overall representation of local concerns and the effectiveness of stakeholder consultation process.

It is worth noting that the community members were generally not reluctant to engage in the survey, but were either unavailable or uninterested to participate at the time of the engagement. All possible efforts were made to engage every potentially affected individual and to ensure they were informed and encouraged to participate.

An exception was observed in Pogoanele, which also revealed a survey participation rate of only 10%. A notable lack of attendance was observed from local authorities. This might be attributed to the division of land ownership and administrative rights. Even though the land is owned by Pogoanele and leased to its residents, the administrative rights belong to the Luciu Commune. As a result, tax revenue generated by the Project will benefit Luciu, and likely offer minimal advantage to Pogoanele. Such arrangement is highly unusual and was confirmed by representatives from both localities. While Pogoanele retains ownership and handles lease agreements through its City Hall, Luciu remains responsible for governance, including tax collection and administrative decision-making. Furthermore, during the engagement meeting, a vocal opinion leader disagreed with several survey questions such as religion, ethnicity, average annual income etc. and influenced five other participants to leave the meeting alongside.

FIGURE 6-1 TURNOUT PERCENTAGE BY COMMUNE

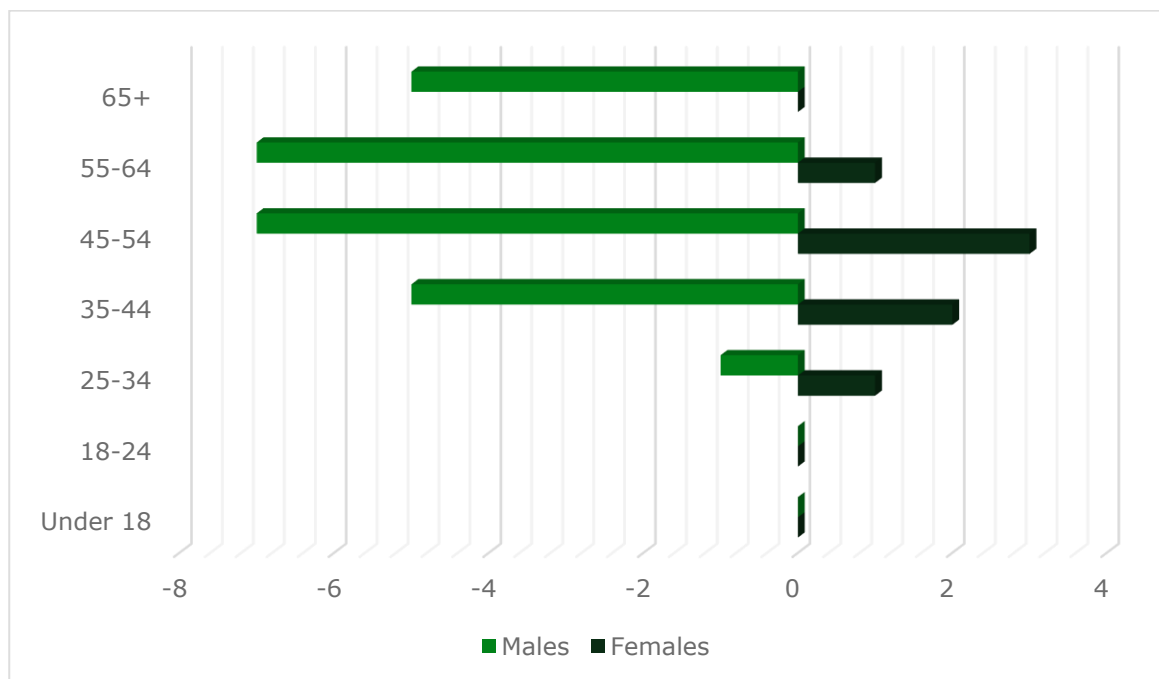


6.4 DEMOGRAPHIC PROFILE

The surveyed community, which consisted of 32 respondents, is predominantly Romanian and Orthodox, with members holding lease agreements for grazing within the project area through official arrangements with the Town Hall. The age distribution shows that most respondents fall between the ages of 45 and 64, indicating an older demographic. There are fewer young adults and almost no representation in the under-25 age group.

Figure 6-2 below shows the demographic breakdown by age group and gender among questionnaire participants. There were no respondents under 24 years old. Participation increased with age, with the 25-34 group comprising 1 male and 1 female, and the 35-44 group including 5 males and 2 females. The 45-54 group had the highest representation with 7 males and 3 females, while the 55-64 group had 7 males and 1 female. The 65+ category consisted solely of 5 males. The data collected from participants indicate that sheep farming is primarily a shared household activity, not restricted by gender or age.

FIGURE 6-2 DEMOGRAPHIC STRUCTURE BY AGE GROUP AND GENDER

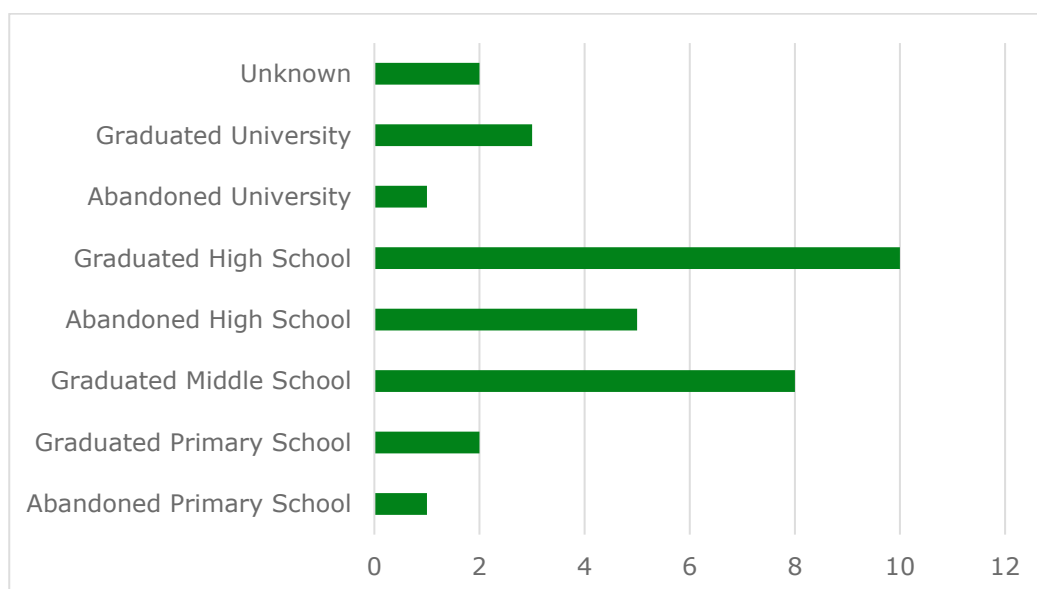


6.5 EDUCATION

Education among the surveyed group is mixed. While some have completed high school, others did not finish middle or high school. Only a few respondents have attained university-level education. Additionally, only two individuals mentioned limited access to education and training opportunities. Access to services does not pose as a major concern for part of the community, with only two respondents indicating limited access to healthcare. These factors, alongside the reliance on traditional agricultural and grazing activities, highlight aspects of the community's socio-economic situation, which is closely tied to local resources and infrastructure.

Figure 6-3 below shows the distribution of education levels among the surveyed individuals.

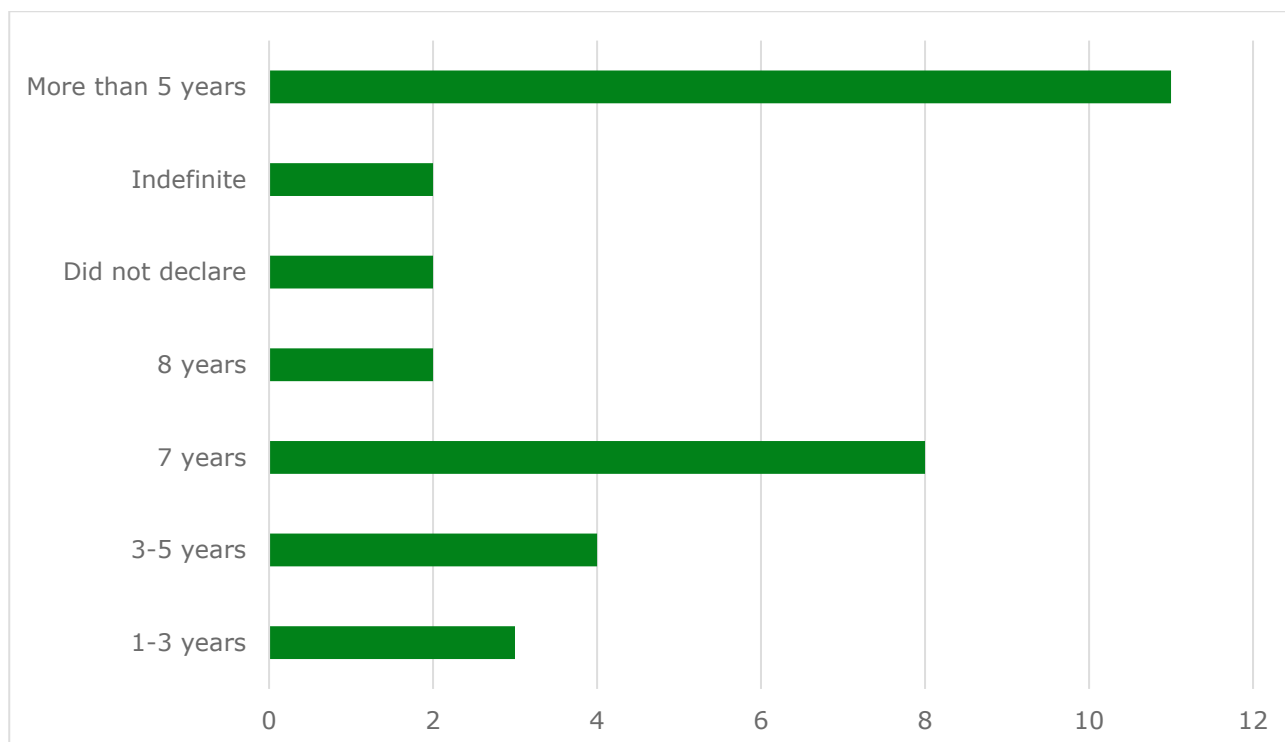
FIGURE 6-3 EDUCATION LEVEL OF THE SURVEYED INDIVIDUALS



6.6 LAND USE AND OWNERSHIP

All respondents confirmed that they hold official lease agreements with the City Hall for the land they utilize. The declared lease durations vary, with several respondents indicating periods of more than five years, while others reported lease terms ranging from one to three years, three to five years, or exactly seven years. A few leases were reported as indefinite, and two respondents left the duration unspecified. This diversity in lease terms highlights the varying contractual arrangements within the community, as detailed in figure Figure 6-4 below, reflecting individual agreements negotiated with the City Hall

FIGURE 6-4 TERMS OF THE LEASE LENGHT AS DECLARED BY THE SURVEYED RESPONDENTS



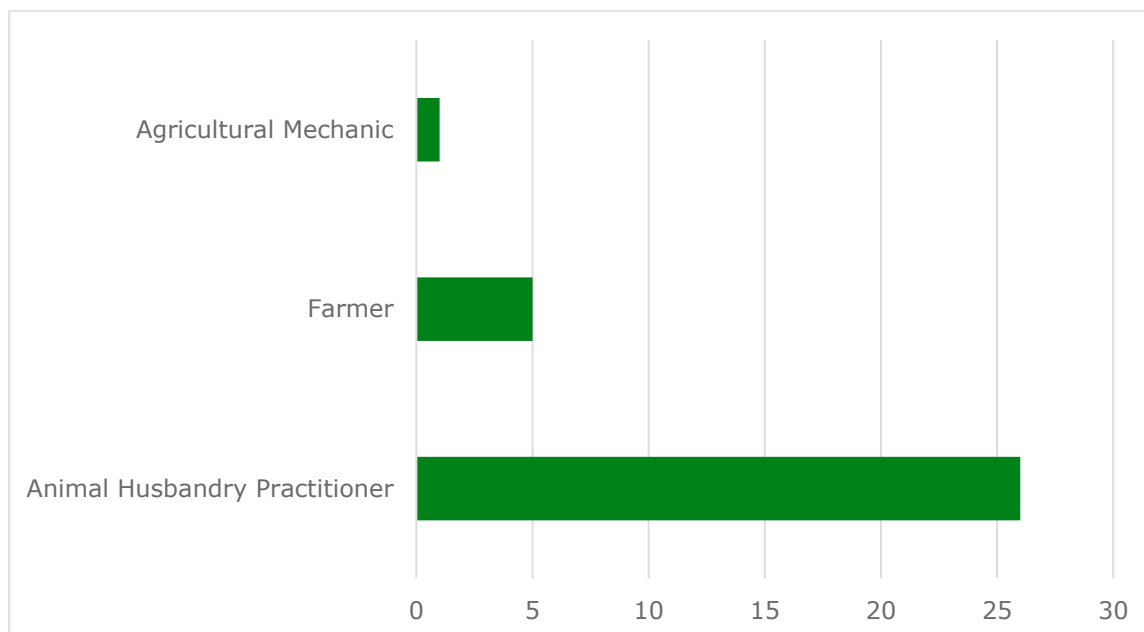
6.7 LIVELIHOODS

Agriculture and animal husbandry represent the primary livelihood activities for the local population in the Project area. The agricultural sector is characterized by the cultivation of crops such as sunflowers, wheat, and maize, while animal husbandry includes the rearing of livestock which is mostly sheep farming. In addition to these activities, many farmers rely on subsidies provided by the state, which play a crucial role in supporting their operations and ensuring economic stability.

6.7.1 AGRICULTURE AND ANIMAL HUSBANDRY

Agriculture and animal husbandry are the primary economic activities among the surveyed individuals. Of the respondents, 27 indicated that animal husbandry is their primary economic activity is animal husbandry, while the remaining five declared that this is not their main source of income. Four respondents identified as farmers and one as an agricultural mechanic. Based on survey responses and discussions in the field, there do not appear to be other significant sources of income among surveyed individuals.

FIGURE 6-5 PRIMARY ECONOMIC ACTIVITY OF THE SURVEYED INDIVIDUALS



The Luciu Farmers' Association operates in accordance with Law 566/2004 on Agricultural Cooperatives and is designed to represent the economic, social and professional interest of its members. This association is structured as a cooperative which allows farmers to collaborate in matters of production, marketing, resource management, subsidy negotiation, access to governmental support, and collective price bargaining, while also ensuring compliance with agricultural regulations.

The Farmers' Association, as observed in the field, is led by a designated leader who oversees its activities and represents the interests of its members. During the field discussions, key topics included the association's role in managing subsidies, ensuring fair resource distribution, and addressing challenges faced by farmers within the project-affected area.

6.7.2 SUBSIDIES

In addition to the above, various farmers receive subsidies from the Agency for Payments and Intervention in Agriculture (APIA). APIA is a Romanian government agency responsible for managing and distributing EU and national agricultural subsidies to farmers. Its main tasks include processing applications for financial support, verifying compliance with agricultural policies, and ensuring that funds are correctly allocated to promote agricultural development and sustainability in Romania.

The general process for farmers/associations to lease agricultural land eligible for APIA subsidies is as follows:

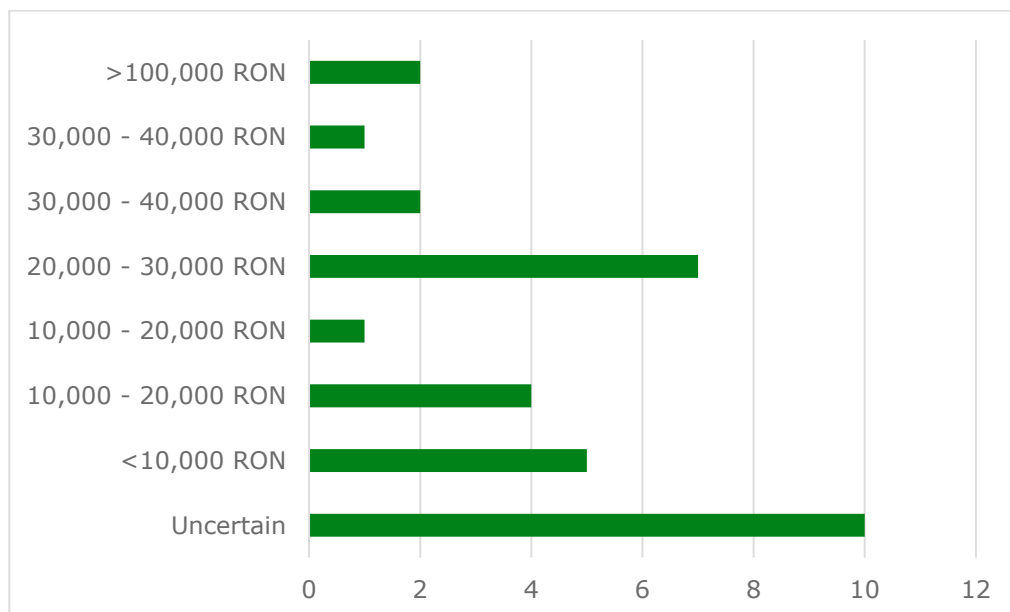
- The town hall publishes announcements regarding the agricultural land available for rent. These announcements can be found at the town hall's office, on its website, or through other official channels.
- Some town halls may have a catalog of available land for rent, which includes information about the location, area, and rental conditions.

- The farmer/association must submit a rental application to the town hall, specifying the desired land and presenting the necessary documents, such as a copy of their identity card, registration certificate for legal entities, etc.
- The town hall evaluates the submitted applications based on established criteria, such as the offered price, the farmer's experience in agriculture, and the land use plans.
- If the application is approved, a rental contract is concluded between the town hall and the farmer/association. The contract will specify the terms and conditions of the rental, including duration, price, obligations of the parties, etc.
- The farmer/association must present the rental contract and other necessary documents to APIA to demonstrate the right to use the land. (Documents regarding Land Ownership - Copies of cadastral documents or the land registry book proving the town hall's ownership of the land / An updated land registry extract attesting the town hall's ownership of the respective land.)
- The farmer/association must update the information in the IPA Online application, including the area and location of the rented land.
- After registering the land, the farmer/association can submit the payment application for subsidies within the annual APIA campaign.
- APIA may conduct inspections to verify the accuracy of the information and the use of the land according to eligibility requirements.

Payments from APIA are calculated based on factors such as the surface area of the land, the number and type of grazing animals, grazing time (hours per day and days per year), the farmer's age, whether the land is important for certain species of animals (e.g. butterflies, *Aquila pomarina*, *Lanius minor*, *Falco vespertinus*) and other factors. Consequently, the amount paid per hectare will vary for each farmer depending on the schemes they qualify for. According to the regulations governing APIA, the payment ranges from 50 to 500 EUR per hectare per year.

6.8 INCOME

Income levels vary, with the most common range being 20,000-30,000 RON (4,000-6,000 EUR equivalent) annually, and a notable number of respondents were unsure of their income. Figure 6-6 below displays the annual household income as reported by the surveyed individuals.

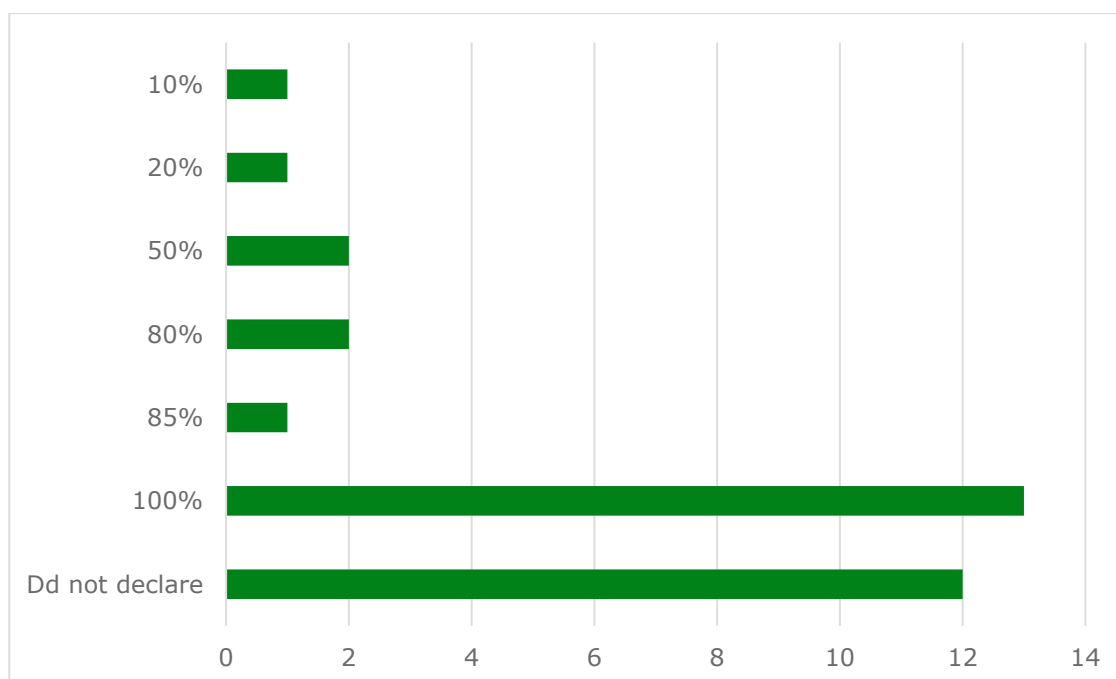
FIGURE 6-6 AVERAGE ANNUAL HOUSEHOLD INCOME OF THE SURVEYED INDIVIDUALS

Data from INSSE¹³ indicates that the average national monthly household income in Q3-2024 was 8,254 RON, which, when projected over a year, corresponds to 99,048 RON (approximately 19,900 EUR). However, there is a significant disparity between urban and rural areas. The monthly household income in urban areas was 9,188 RON, while in rural areas it was 7,099 RON. When projected over a year, this amounts to 110,258 RON (approximately 22,096 EUR) for urban households and 85,191 RON (approximately 17,072 EUR) for rural households. This reflects a 29.4% higher income in urban areas compared to rural areas. When compared to this figure, the reported income levels of the surveyed group represent a substantially lower range, highlighting a potential economic disparity between the respondents and the national average.

Figure 6-7 shows the percentage of income derived from animal husbandry among respondents. Thirteen individuals reported that 100% of their income comes from this activity, while 12 chose not to disclose any details. The others indicated partial reliance on animal husbandry, with varying levels of dependency. Although, some respondents mentioned growing agricultural crops, these are not sold but used exclusively as livestock feed.

¹³ INSSE Tempo Online Database, BUF104I

FIGURE 6-7 PROPORTION OF INCOME DERIVED FROM ANIMAL HUSBANDRY AMONG SURVEYED INDIVIDUALS



6.9 VULNERABILITY

A portion of respondents reported specific vulnerabilities, including advanced age (over 60 years old) noted by eight respondents, chronic diseases mentioned by one respondent, and physical disabilities reported by one respondent. Additionally, three respondents were uncertain ("I don't know"), and four entries were left blank, which may indicate either a lack of willingness to respond or unawareness of household conditions. These findings suggest the presence of vulnerable groups within the community, highlighting the need for tailored support measures to address their specific challenges and ensure they are adequately considered in the plan of compensation measures.

In 2022, the poverty line in Romania was set at 16,278 RON per year per person, equivalent to 60% of the median disposable income per adult equivalent, as defined by the National Institute of Statistics¹⁴. This threshold is used to measure relative poverty, indicating the minimum level of income required to ensure basic living conditions. The value accounts for differences in household composition through the OECD-modified equivalence scale, which adjusts income based on the number and age of household members.

The analysis was conducted using the lower bound of the declared income ranges provided by surveyed respondents (Figure 6-6) as a conservative estimate of their annual earnings. Income data was compared against the official poverty line of 16,278 RON per year. Households with incomes below this threshold were classified as being below the poverty line. Responses marked as "uncertain" or those with missing household size were excluded from the calculation. The

¹⁴ National Institute of Statistics of Romania - Press Release. Available online at (https://insse.ro/cms/sites/default/files/com_presa/com_pdf/saracia_si_excluziunea_sociala_r2022.pdf), accessed 18 December

OECD-modified equivalence scale was not applied in this instance due to incomplete household composition details, and the focus remained on reported absolute incomes.

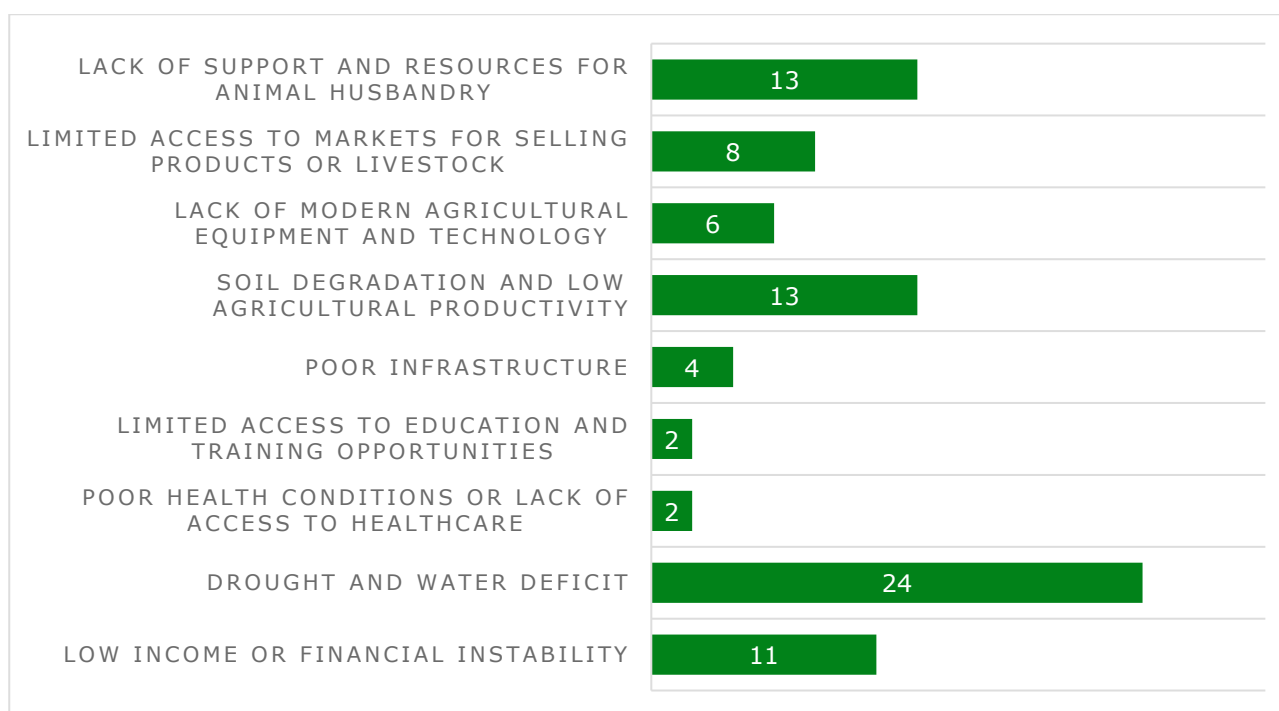
Applying the methodology to the data from surveyed individuals, 9 households were identified as falling below the poverty line, representing a total of 35 individuals. However, the actual number may be higher, as 13 respondents either did not declare their income or did not specify the number of household members. These omissions introduce uncertainty in the analysis and suggest that the reported figures likely underestimate the true extent of poverty among the surveyed community.

The entire land designated for the project is managed by the respective administrative-territorial unit and is leased to citizens, through means of an official lease agreement with the Town Hall, for varying periods (3, 5, 7 years, or indefinite terms). The majority of the land affected by the Project is used for grazing. Smaller portions of land will be impacted by the OHL pylons, RoW and new and upgraded access roads that are used for agriculture.

Each participant in the questionnaire indicated that they receive subsidies from APIA (Agency for Payments and Intervention in Agriculture), with each subsidy varying according to a calculation scheme developed by APIA, which considers factors such as land surface, land quality, type and species of animals raised, and the method of raising them. Respondents also highlighted that the total or partial loss of these subsidies would negatively impact their standard of living or that they are uncertain of the consequences of such a loss upon their livelihood.

The survey revealed several significant challenges impacting the livelihoods of the respondents. Figure 6-8 illustrates the primary livelihood challenges affecting the interviewees, along with the corresponding number of votes for each issue.

FIGURE 6-8 MAIN CHALLENGES IN THE AOI AS REPORTED BY THE RESPONDENTS



The predominant concern, identified by 24 participants, is the issue of drought and water deficit. This environmental challenge severely affects grazing conditions and agricultural productivity, leading to increased stress on both livestock and crop yields.

Tied for second place, with 13 votes each, are the lack of support and resources for animal husbandry, and soil degradation coupled with low agricultural productivity. The respondents highlighted that insufficient resources, such as feed, veterinary care, and financial assistance, hinder their ability to maintain healthy livestock and improve farming practices. Additionally, soil degradation has led to diminished crop yields, further aggravating food security and economic stability in these communities.

In third place, with 11 votes, is low income or financial instability. Many respondents expressed concerns about their financial situations, which are compounded by the challenges mentioned above. The interplay between environmental factors and economic conditions creates a cycle of vulnerability, limiting their capacity to invest in sustainable agricultural practices and animal husbandry improvements.

Overall, these challenges underline the need for targeted interventions and support systems to address the critical issues of water management, resource availability, and financial stability within the affected communities.

The project will involve construction works on grazing land that currently serves as a resource for local livestock breeding. This land contains essential infrastructure, including nomad sheepfolds, wells, sheds, and electric fences, which support the day-to-day activities of the affected individuals. Since those structures are dismantled by local farmers over the winter period and reconstructed in spring – they are semi-permanent and can be relocated to not interfere with project components. Relocation of such structures does not appear to be a primary concern for most respondents. The consensus is that the process of managing these structures during construction will not significantly disrupt their farming operations.

However, a more pressing issue raised by 12 respondents is the potential for a reduction in available grazing land. The concern presents two problems firstly, that the amount of land left for grazing after construction may be insufficient to sustain current livestock count; and secondly, that certain areas of the land could become inaccessible due to restrictions imposed by the project, such as safety perimeters or designated non-access zones. These limitations could severely impact the ability of the breeders to graze animals effectively, leading to increased pressure on remaining pastures and potentially forcing them to find alternative grazing locations, which may not be feasible. The Project leased 2,925 (40%) ha of pasture out of the 7,265 ha of available pastureland in the 5 ATUs. Out of this surface, only 53.37 ha being removed from pasture use (WTG foundations, substations and new roads), constituting 1.82% of total area and 0.73% of the available pastureland in the 5 ATUs.

6.10 ANTICIPATED IMPACT ON SUBSIDY RECIPIENTS

Based on the survey data, the top three anticipated impacts for animal breeders, as illustrated in the Figure 6-9 below, are: (1) loss of subsidies, (2) a decrease in income, and (3) worsening economic conditions due to reduced income.

The developed maps showing the APIA land plots for 2024 (Appendix F) indicate that both animal breeders and farmers obtain subsidies from APIA.

Loss of Subsidies. The loss of subsidies is a particularly pressing concern because it represents a critical source of financial support for animal breeders and crop farmers. These subsidies, provided by APIA, are calculated based on the use of land for specific agricultural purposes, in this case, grazing and farming. Construction activities on the land, has the potential to lead to APIA imposing penalties on land users for failing to use the land as declared starting from 2025 if the land affected by the Project is not removed from the newly designated APIA blocks for the year. This situation creates a direct link between the Project and the land users' financial stability, as any disruption to land use can result in reduced financial assistance, thereby decreasing their overall income.

Each year, APIA conducts land measurements and requires subsidy beneficiaries to declare the land area for which they are requesting subsidies in order to calculate the subsidy value for that agricultural year. According to local and official sources, if by March 2025, the land is officially removed from agricultural use (taken out of the "agricultural circuit"), it will no longer be eligible for subsidies. Consequently, a penalty will not be imposed, as the land would no longer qualify for subsidy programs. As per the LRP implementation schedule, the new APIA blocks will be redesignated with the Communes so that they do not overlap over Project affected land identified by this LRP during the months of March and April, within the timeline of the 2025 declarations ensuring this is mitigated and there is no adverse impact on the sheep farmers.

Decrease in Income. Alongside the potential loss of subsidies, respondents also anticipate a direct decrease in their income as a result of these disruptions. For most, grazing land is the foundation of their livelihoods, supporting livestock production, which in turn generates income. If access to sufficient grazing land is restricted or removed due to the construction activities, the productivity of livestock will suffer. As declared during the survey, fewer grazing opportunities lead to higher feeding costs, lower livestock health, and ultimately a decline in the output of animal products, such as meat, milk, or wool, which are vital to sustaining their income. The combination of reduced subsidies and lower productivity creates a compounded effect, leading to a significant decrease in overall earnings.

Worsening Economic Conditions: The decrease in income, compounded by the loss of subsidies, creates a broader concern for worsening economic conditions. Many respondents rely on a consistent income stream from animal husbandry to meet their daily needs and cover operational costs. A reduction in income can lead to an inability to invest in essential resources like feed, veterinary services, or equipment, thereby further limiting their capacity to maintain livestock and agricultural activities. This economic strain could result in a downward spiral, where financial instability makes it harder to recover, potentially forcing some breeders to reduce numbers. The uncertainty surrounding future land availability and economic support adds to the anxiety over the sustainability of their livelihoods in the face of these challenges.

While the primary impacts on livelihoods are more pronounced, several personal concerns were also identified by respondents that, although not as significant, should not be overlooked. Seven respondents indicated they anticipate reducing the number of animals they manage due to the challenges presented by the project. This reduction may stem from factors such as limited grazing land and increased operational costs, ultimately affecting their livelihoods.

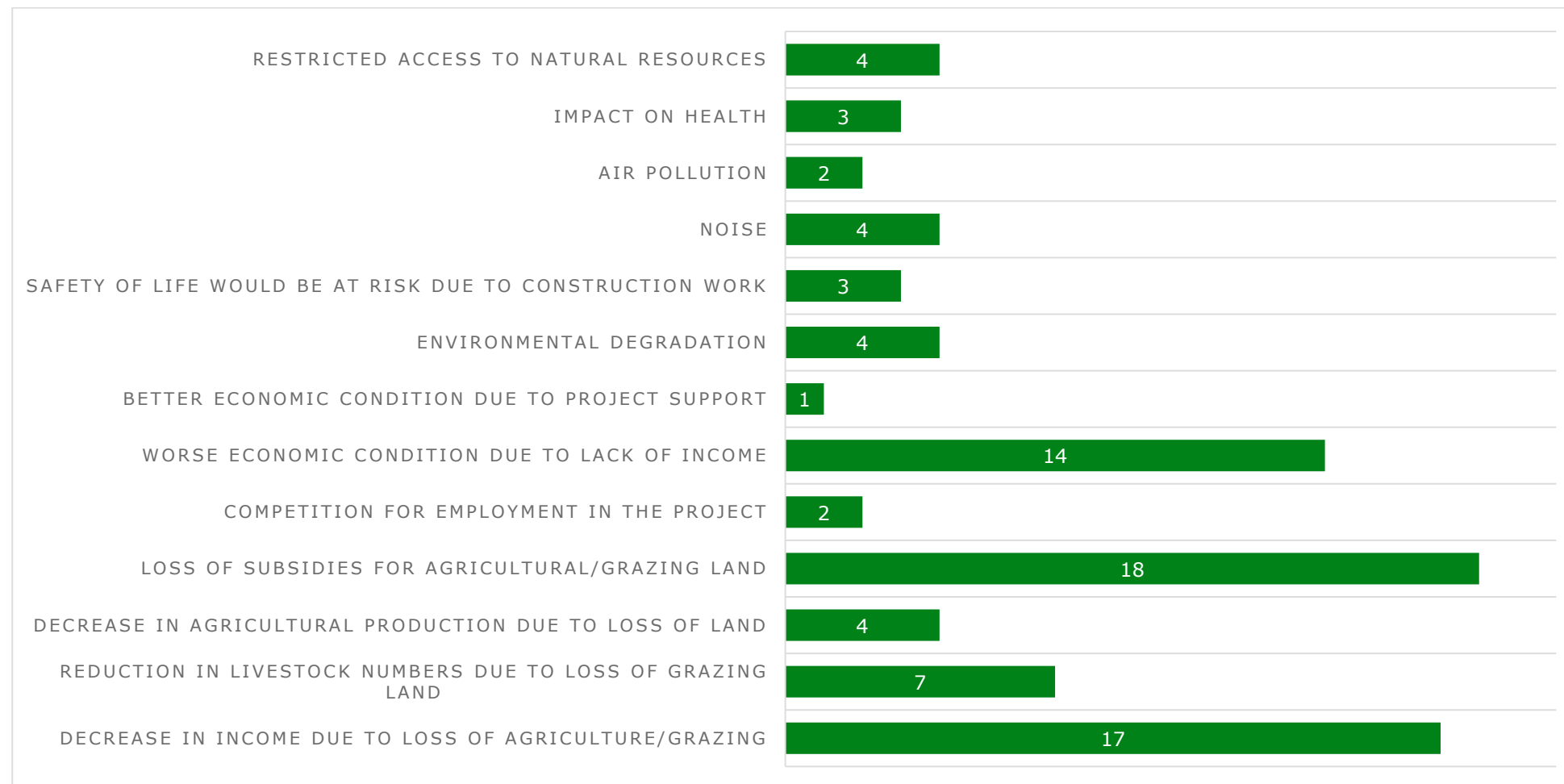
Additionally, there were four votes each for concerns regarding environmental degradation, noise, and restricted access to natural resources. While these issues may not rank as the most pressing problems, they represent factors that could indirectly impact the respondents' quality

of life and the sustainability of their agricultural practices. Importantly, these problems might not be foreseen by all stakeholders involved in the project.

The Projects therefore commits to several mitigation measures as outlined in Chapter 8 and 9 below.

Figure 6-9 below presents the anticipated impacts that the community is expecting from project construction and operation, showing the number of votes each impact received, with the top impacts being the loss of agricultural subsidies, decreased income, and reduced livestock due to land changes, alongside concerns about environmental degradation.

FIGURE 6-9 ANTICIPATED IMPACTS OF THE RESPONDENTS



6.11 CONCLUSIONS

The socio-economic survey and stakeholder engagement initiatives have provided valuable insights into the perceptions, concerns, and preferences of some of the impacted individuals regarding the Project. The data gathered indicates that the most pressing issues for respondents revolve around the implications of the Project on their livelihoods, particularly regarding compensation and the impact on their day-to-day activities.

There is a strong desire for monetary compensation for lost land and goods, reflecting the urgency for immediate financial support to address economic stability. In-kind compensation, such as assistance with water supply and alternative land for grazing, appears to be less favored, as these options may not adequately address immediate needs.

While professional development courses were recognized as potentially beneficial, there was a general lack of interest in participation. This highlights the community's preference for immediate relief over educational opportunities.

Moreover, the respondents emphasized the importance of direct communication methods, particularly public consultations and engagement through local authorities. This desire for transparency and dialogue suggests that the community values open lines of communication with the project, which is essential for building trust and collaboration.

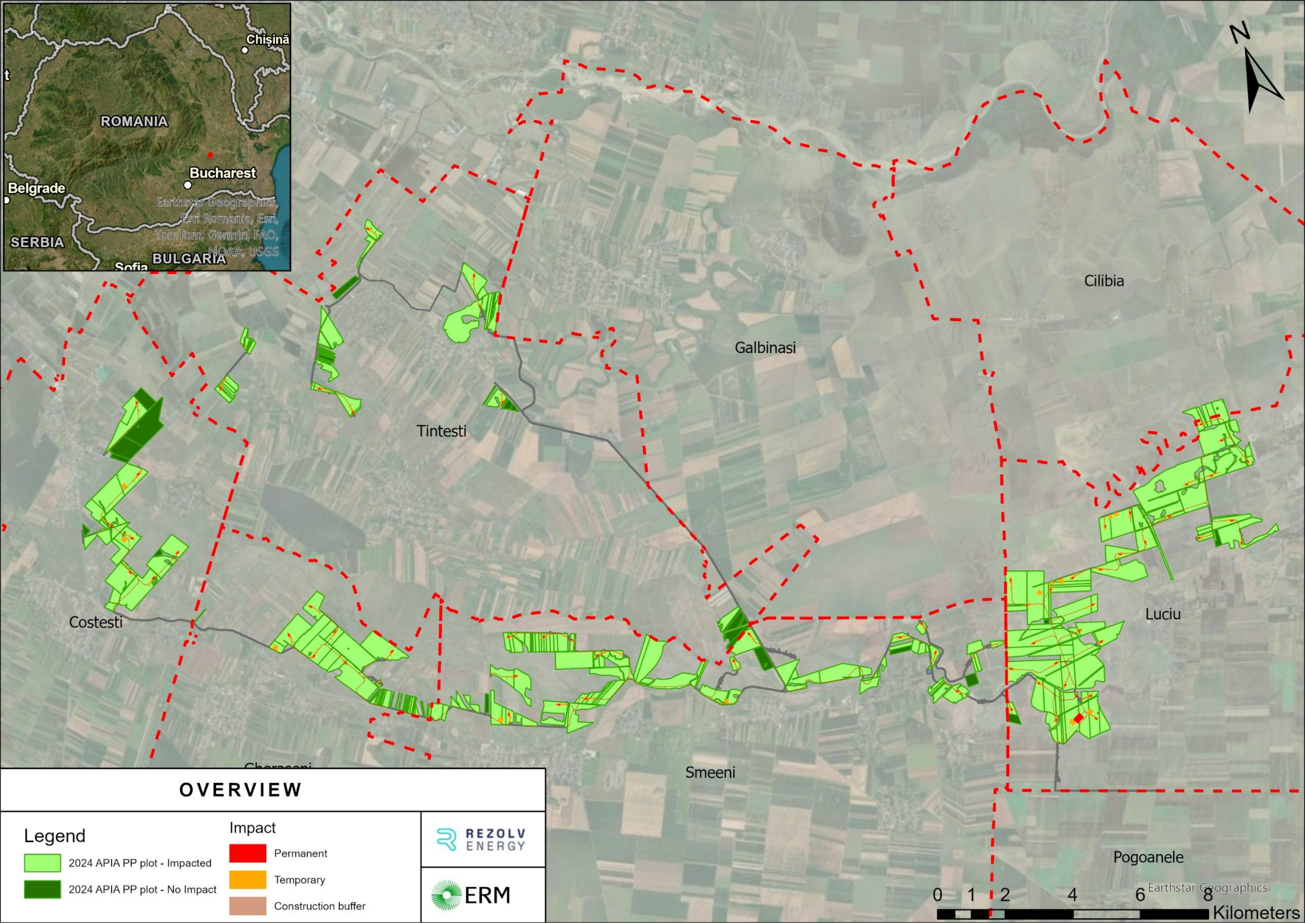
The concerns expressed also highlighted specific challenges, such as drought, lack of resources for animal husbandry, and soil degradation, which significantly impact their livelihoods. Addressing these challenges would prove beneficial for mitigating potential negative impacts of the project.

7. PROJECT IMPACTS ON LAND AND LIVELIHOODS

This chapter will explain the process for the identification of all Project affected households (PAH) and lands/assets impacted and describe resulting displacement impacts.

Figure 7-1 Overview of Impacted Land below present an overview of all impacted land plots. Detailed maps showing APIA blocks and land type declarations are provided for in Appendix F. All publicly owned plots are leased by the communes to individuals or organizations, such as the Animal Breeders Association of Luciu. These plots, leased by the communes, are designated for animal grazing and classified as pastureland.

FIGURE 7-1 OVERVIEW IMPACTED APIA 2024 PERMANENT PASTURE LAND PLOTS



Source: ERM 2025, based on client data

7.1 IMPACTS ON PASTURELAND (LEASED PUBLIC LAND)

There will be both temporary and permanent impacts on pastureland as further described below.

7.1.1 TEMPORARY IMPACTS

While some land areas will be used permanently by Project components (e.g. Substation, OHL pylons, WTG foundations, new access roads), there are several Project components that will result in temporary impacts only. Those components include the borrow pits, laydown areas and areas designated for site offices (amongst others listed in Chapter 2), that will only be present at the Project site during the construction phase. Once construction is completed those components will be decommissioned and the land will be regenerated and made available for its initial purpose of grazing land.

59.7 ha will be temporarily impacted by the project components – this constitutes 2.03% of the total leased area by the Project. 26.6% (44.5 ha) will potentially be temporarily impacted (the construction buffer), however all measures will be taken by the Project team to avoid this impact.

7.1.2 PERMANENT IMPACTS

The majority of the land impacted for Project components is dedicated as pastureland, leased to local animal breeders. Land needed for the construction of permanent project components including the substation, WTG foundations, new access roads, expanded existing roads and three OHL pylons will result in permanent loss of this land area for grazing purpose (constituting 1.84% of total pastureland available in the 5 Communes and 2.13% of the total public land areas leased for the project).

The remaining land will continue to be used by the local councils as pastureland, as long as the operation and maintenance of the wind park is not affected. Local Councils remain the owners of the pastureland and are legally obliged to lease the remaining land areas to farmers, who can then apply for APIA use or for other purposes as per applicable legal requirements. The Project is actively liaising with the Communes to support allocation of new APIA plots outside Project footprint, and has no input into how the rest of the pastureland is to be managed. Moreover, the Councils have the right to conclude any further contractual agreements regarding farming activities of the remaining land as long as these do not affect the wind conditions on the land, having only to notify the developer and ensuring the obligations of the usufruct agreement are assumed by the respective third party.

Table 7-1 below presents the permanent and temporary impacts cause by all Project components.

TABLE 7-1 PROJECT COMPONENTS AND RELATED IMPACTS

Component	Impact Type	Component Area (in ha)	% of total project footprint	Luciu	Gherăseni	Costesti	Tintesti	Smeenii
WTG foundation and hardstand	Permanent	15.25	9.12	5.97	1.67	1.70	1.66	4.64
OHL pillars	Permanent	0.10	0.06	0.09	0.00	0.00	0.00	0.00
Substation	Permanent	2.65	1.59	2.65	0.00	0.00	0.00	0.00
Existing dirt roads (expansion & upgrade)	Permanent	11.49	6.87	1.82	0.85	0.15	2.82	1.63
New project roads	Permanent	35.37	21.15	13.31	3.00	4.30	2.89	11.38
OHL Line	Temporary	1.59	0.95	1.61	0.00	0.00	0.00	0.00
Existing road (no expansion & upgrade)	Temporary	1.34	0.80	0.99	0.00	0.00	0.00	0.00
New road waiting areas	Temporary	2.25	1.35	0.24	0.37	0.32	0.41	0.87
WTG storage platforms	Temporary	34.95	20.90	16.05	3.40	3.37	3.37	10.13
Aggregates deposit	Temporary	0.70	0.42	0.70	0.00	0.00	0.00	0.00
Borrow pit	Temporary	0.87	0.52	0.87	0.00	0.00	0.00	0.00
Site compound (Phase I)	Temporary	1.01	0.60	1.01	0.00	0.00	0.00	0.00
Site compound (Phase II)	Temporary	1.01	0.60	0.00	0.00	1.01	0.00	0.00
Topsoil deposits	Temporary	15.78	9.44	7.31	1.74	1.74	0.72	4.23
Parking areas (Phase II)	Temporary	0.36	0.22	0.00	0.00	0.16	0.00	0.00
Construction buffer**	Potential temporary	44.54	26.64	13.64	3.21	3.97	5.96	12.30

Source: ERM based on Client Data, 2025.

**The buffer was applied 5m to the side of roads, on the same side as UTLs

IMPACTED PEOPLE BY COMPONENT AND IMPACT TYPE

The Project has made significant progress toward implementation and can confirm a clear understanding of the APIA blocks affected, along with the estimated number of Project-Affected Persons (PAPs) categorized by component and impact type (permanent/temporary). The current estimates are derived from the unique APIA IDs representing individual farmers who applied for subsidies in 2024 for areas overlapping with the Project footprint. However, these figures remain subject to change following ground-truthing with individual PAPs, as some may be leasing multiple plots of land, leading to potential overlaps and instances of double counting.

Table 7-2 below presents the most recent indicative number of Project-Affected Persons (PAPs), for each Project component. These numbers will be updated accordingly based on the outcomes of the ongoing PAP identification process conducted by the Project team in collaboration with local authority representatives. The current number of PAPs identified as impacted by the Project is 176.

TABLE 7-2 PROJECT AFFECTED PEOPLE BY COMPONENT AND IMPACT TYPE

Component	Impact Type	Count	Component Area (in ha)	Type of PAP affected	Potential Number of PAPs
WTG foundation and hardstand	Permanent	72	15.219	Land users (sheep farmers)	69 PAPs affected
OHL pillars (agricultural land)		5	0.605	No PAP affected – land owned by FLS	N/A
OHL pillars (pastureland)		3	0.363	Land users (sheep farmers)	3 PAPs affected
OHL Line		TBC	1.6km	Land Owners	TBC
Substation		1	2.653	Land users (sheep farmers)	2 PAPs affected
New project roads (within pastureland)		33	35.370	Land users (sheep farmers)	119 PAPs affected
OHL Line	Temporary	2	1.590	Land owners crop farmers	2 PAPs affected
WTG storage platforms		72	34.946	Land users (sheep farmers)	93 PAPs

Component	Impact Type	Count	Component Area (in ha)	Type of PAP affected	Potential Number of PAPs
Aggregates deposit - Luciu		1	0.703	Land users (sheep farmers)	1 PAP
Borrow pit - Luciu		1	0.869	Land users (sheep farmers)	1 PAP impacted
Site compound (Phase I) - Luciu		1	1.005	Land users (sheep farmers)	1 PAP impacted
Site compound (Phase II) - Smeenî		1	1.005	Land users (sheep farmers)	3 PAPs impacted
Topsoil deposits*		81	15.783	Land users (sheep farmers)	60 PAPs impacted
Parking areas (Phase II) - Costești		1	0.362	Land users (sheep farmers)	1 PAP impacted
			110.472		176 PAPS (accounting for overlaps)

Source; FLS, 2025.

IMPACTS ON SUBSIDY PAYMENTS

Currently, individuals leasing impacted lands receive subsidy payments from the state. A delay in notifying the state about changes in land use caused by Project construction could lead to a loss of these subsidies. The combination of subsidy loss and a reduction in available land for grazing or farming may adversely impact the overall standard of living for those relying on these lands for their livelihoods.

Between the March and May (calendar to be confirmed every year), farmers apply to APIA, who allocates subsidies ranging from 50 – 500 EUR /ha of permanent pasture. APIA implements a satellite detection system and applies sanctions if the land is not managed in line with the Payment Claims made for the respective agricultural year:

- if more than 30% deviation is resulting from APIA's monitoring, all subventions are denied for 3 years, for all categories, and
- if less than 30% - then the amount of subvention deduction is calculated based on the undeclared area.

Lack of timely coordination between the Client and the Local Councils in relation to the exact surfaces that will be impacted by construction works can lead to farmers being fined and/ or

risking losing all their subsidies for a period of 3 years. The penalty would apply for all the subsidies received by the respective farmer, including those received for arable plots. This situation would endanger the sustainability of every agricultural enterprise, in particular that of smaller farmers.

The subsidy request session for 2024 ended on June 7 and no farmers incurred any penalties due to late entry on land that did not impact the grazing period (April – November). The project is working closely with Communes and APIA to mitigate against penalty impacts on farmers for 2025 as described in section 6.10 on Anticipated Impact on Subsidy Recipients.

7.2 IMPACTS ON AGRICULTURAL LAND (PRIVATE LAND)

The majority of the impacted land is designated as pastureland; however, a portion of the affected area is utilized for agricultural purposes, primarily for sunflower crop production. The project will result in both temporary and permanent impacts on these designated agricultural land areas, as detailed in the sections below.

7.2.1 TEMPORARY IMPACTS

The project is expected to have minimal impacts on agricultural land, primarily due to the overhead line (OHL) and the widening of access roads. The temporary impacts due to OHL equate to approximately 1.6ha.

The Project will instruct the Contractor to avoid or minimize impacts associated with existing and new roads and laying of the underground 33 kV cables; however, in order to ensure these potential impacts, if they occur, are treated in line with the LRP, a 5 m buffer was defined. The total area for the buffer, along both existing and new roads, is 44.54 ha. In the context of the OHL, agricultural activities are generally allowed within the Right of Way (RoW), meaning that smaller crops, such as sunflowers for oil production, can continue to be cultivated. The access and use restrictions primarily affect trees, which are not present in the area.

Crop damaged as a result of construction activities will be compensated for in line with the Project's Accidental Damage Protocol and in line with the independent crop valuation report prepared for the project.

7.2.2 PERMANENT IMPACTS

In addition to loss of grazing land, some agricultural land will be permanently impacted, mainly land used for OHL pylons. and upgrade of access roads. With regard to the OHL, permanent impacts on agricultural land are only foreseen for the five pylons that will be permanently constructed on agricultural plots and have been acquired by willing buyer willing seller agreements from private owners and amount to 0.0605ha. The OHL RoW will also have permanent use restrictions as described in section 2.2.1.4 on OHL but this is assessed as likely to have negligible impact due to the types of crops grown along the OHL.

Regarding the access road upgrades, widening will occur only within the assigned road RoW, impacting areas that are currently encroached upon by farmers but do not officially belong to them. Farmers will be compensated for any crop loss within these encroached areas. No additional permanent land acquisition for roads is envisaged for the project.

7.3 IMPACTS ON ASSETS

Assets present on the land include temporary sheep settlements comprising fences and barns. There is no watering system/irrigation system as part of the settlement, since sheep are taken to the river for drinking water. These sheep settlements or sheepfolds¹⁵ are temporary facilities that are only constructed during the grazing period when there is grass to feed the sheep.

Table 7-3 below presents all assets that the project has mapped.

TABLE 7-3 MAPPED ASSETS

Commune	Project Phase	Mapped Assets	Comment
Luciu	I	<ul style="list-style-type: none"> 4 temporary sheep settlements 	N/A
Costesti	II	<ul style="list-style-type: none"> 4 sheepfolds with a herd of about 1100 sheep and about 15 cows, 2 sheepfolds have winter sheds and winter in the field not on the land impacted by construction 	<p>The owners of sheepfolds are natural persons, they do not have registered companies/ PFA.</p> <p>Sheepfolds in Costesti are not located on impacted land</p>
Smeeni		<ul style="list-style-type: none"> 21 sheepfolds distributed as follows: 5 sheepfolds in Lucieni, 5 sheepfolds in Udati, 4 sheepfolds in Albesti, 3 sheepfolds in Moisica, 4 sheepfolds in Smeeni. 	Of these, 10 owners of sheepfolds are authorized as PFA or II, and 4-5 have wintering sheds in the field – pastures that are temporary.
Tintesti		<ul style="list-style-type: none"> 7 sheepfolds with a herd of approx. 1300 – 1400 heads, 1-2 herds of cattle with a herd of approx. 100 animals 	<ul style="list-style-type: none"> Only one owner has a wintering sheepfold but it is not permanent and moves in seasons depending on the weather. All sheepfolds are operated by natural persons.

¹⁵ The term sheepfold refers to sheep settlement areas usually defined by an associated sheep barn and some fences around the barn.

Commune	Project Phase	Mapped Assets	Comment
Gheraseni		<ul style="list-style-type: none"> 4 sheepfolds, 3 of which on the project land with a herd of approx. 1000-1100 sheep, 2 of them have wintering sheepfold 	<ul style="list-style-type: none"> All sheepfolds are operated by natural persons.

Source: Data provided by Client, 2025.

Figure 7-2 below shows a sheep settlement in Luciu commune.



FIGURE 7-2 TEMPORARY SHEEP SETTLEMENT

Based on the data collected during field surveys and site visits, the infrastructure identified on the land is temporary in nature, including nomad stations, mobile sheds, and sheepfolds. This type of infrastructure is designed to be movable, meaning they can be readily relocated without causing adverse impacts on the individuals relying on these structures. There are dry wells that are permanent in nature, however, they are not located within the Project footprint and not currently in use.

The Project will support relocation of sheds or other movable infrastructure if required. Ownership details indicate that some of the temporary infrastructure, such as nomad stations and sheepfolds, is owned by individuals or the community. Given the temporary and non-fixed nature of these structures, the Project's impact on infrastructure is minimal, and appropriate measures can ensure no lasting disruptions to land use or agricultural activities.

No valuation of temporary structures will be conducted, since the primary strategy is to avoid impacts on assets by relocating them in the same way that they are routinely moved by farmers or breeders in conjunction with herd movements.

7.4 IMPACTS ON LIVELIHOODS AND LIVING STANDARDS

The pastureland taken by the Project may have an impact on the income, living standards, and livelihood of people who depend on graze livestock on or around that land. For example, a shepherd may lose a portion of their currently allocated pastureland to the Project for one – two years depending on the duration of the works in the particular area. Depending on the size of their herd, the loss of access to even a portion of pastureland may reduce the overall productivity of that farm for the duration of at least one year.

While livelihoods/ subsistence activities depend on access to and use of pastureland, there are still ample areas that will remain available for grazing around the active construction sites, given the works will be adequately secured and areas not presenting health and safety risks, but being fenced to avoid accidents involving the animals or generating damage to equipment.

Farmers with particularly low incomes and high land dependency for subsistence and income generation will be the most vulnerable to this impact. Some might struggle to find other types of income or may need to travel longer distances if available land within proximity is reduced. Their vulnerability is considered high.

The pastureland taken by the Project will have an impact on the income, living standards, and livelihood of people who depend on resources located in, on or around that land. The main impact stemming from impacts on pastureland is the loss of subsidies or penalty payments and restricted access to subsidies in the subsequent 5 years.

Key Informant Interviews conducted during the ERM Field Survey in April – May 2023 confirmed that all the pasture is leased to local farmers (exception is Gheraseni Commune, where 100 ha of pastureland is currently available for leasing due to decreasing interest from farmers). In Smeeni, there are 115 animal breeders with registered lease contracts. In Luciu, all the 47 registered animal breeders are organised in a farming association that is leasing and using the Luciu pasture, with an estimated number of 8,000 of sheep.

Several Key Informant Interviews (KII) included discussions on the fact that the pastureland is providing the required nourishment for only three months (April – June) in the last few years, due to registered drought and that some shepherds may not supplement sufficiently leading to concerns for animal welfare; further reduction of the available pastureland will exacerbate this issue. Suggested LRP measures will consider this issue.

8. ELIGIBILITY AND ENTITLEMENTS

This chapter outlines the criteria for determining the eligibility of individuals, households, and communities affected by the project and defines the entitlements they will receive to mitigate project-related impacts on their land and livelihoods.

8.1 ELIGIBILITY

The census and asset surveys conducted for the Project's LRP development identified individuals subject to economic displacement. Following IFC PS 5, the Project categorizes displaced individuals into the following groups, as follows:

- Those with legal rights to lands and assets they occupy or use
- Those that do not have formal legal rights to lands and assets, but have a claim to them that is recognized or recognizable under national law, and
- Those that have no recognizable legal right or claim to lands and assets they occupy or use.

In the context of the Project the following PAPs are eligible for compensation and livelihood restoration measures:

- Private Landowners and Users: Individuals owning or using private agricultural land impacted by the Project.
- Public Land Users: Those with legal use rights (via lease contracts) to public pasture or agricultural land affected by the Project, including the Animal Breeders Association of Luciu
- Owners of Livelihood Assets: sheep barns, fences, etc.

An entitlement matrix is a structured tool used in the context of livelihood restoration planning and implementation. It provides a systematic framework for identifying, documenting, and categorizing the entitlements or compensation packages owed to affected individuals or communities as a result of displacement or loss of assets due to development projects.

The entitlement matrix captures all PAPs, the characteristics of the impact, and the types of entitlements that they will be eligible to receive. According to IFC PS5, PAPs should be entitled to one or more types of compensation and/ or assistance, such as compensation for loss of assets. This LRP proposes the following Entitlement Matrix presented in Table 8-1 below. This matrix was developed based on stakeholder engagement activities on the ground, alongside the available baseline data on the PAPs and an understanding of the displacement impacts which are expected to occur.

The entitlements proposed are indicative and are to be confirmed based on further engagement with the PAPs, with the final entitlements to be reflected in an updated version of this LRP.

TABLE 8-1 ENTITLEMENT MATRIX

Type of Impact	Category of PAP	Number of PAPs Identified To Date	Eligibility Conditions	Entitlements
Loss of Access to Agricultural Land (Temporary)	Users of Affected Agricultural Land (Private)	2	Leaseholders who experience temporary loss of agricultural land (e.g., during the construction of the OHTL, including pylons), based on ownership or land-use documentation	Cash compensation for lost income during the period of temporary loss of agricultural land, assistance with the restoration of agricultural land after the temporary use is completed.
Loss of Future Land Productivity and Decrease in Land Value (Permanent)	Owners of Affected Agricultural Land (Private)	TBC	Landowners who experience loss of future land productivity and decrease in land value (e.g., as a result of construction of OHTL, subsequent restrictions on land use within the OHTL RoW during operations)	Statutory compensation in line with the Romanian Energy Law. Legal guidance and transaction costs support from FLS should this be required when seeking statutory compensation.
Loss of Access to Grazing Land (Permanent)	Pastureland Leaseholders	176	Leaseholders who lose permanent access to grazing land due to permanent Project land acquisition (e.g. because new restricted land area does not allow for similar plot	Cash compensation for any subsidy loss as a result of the Project. Further assessment of displacement impacts will be undertaken following re-allocation of APIA blocks to

Type of Impact	Category of PAP	Number of PAPs Identified To Date	Eligibility Conditions	Entitlements
			allocation in terms of size and quality as in previous year) Allocated based on land-use documentation.	confirm if alternative land is required as well as determine other compensation and livelihood restoration support measures under the Livelihood Restoration Programme.
Loss of Access to Grazing Land (Temporary)	Pastureland Leaseholders	176	Leaseholders who lose temporary access to grazing land due to the temporary Project land acquisition Allocated based on land-use documentation	Cash compensation for the period of lost grazing access, and assistance with the restoration of grazing land after the temporary use is completed. Access to Livelihood Restoration Programme. Further assessment of displacement impacts will be undertaken following re-allocation of APIA blocks to confirm if alternative land is required as well as determine other compensation and livelihood restoration support

Type of Impact	Category of PAP	Number of PAPs Identified To Date	Eligibility Conditions	Entitlements
				measures under the Livelihood Restoration Programme.
Loss of Crops	Owners of Crops Affected by OHTL or Access Roads	2	<p>Land users whose crops are destroyed by construction activities, such as those planted in the corridor for OHTL or on land affected by the expansion of access roads</p> <p>Land users whose crops are destroyed during operation of OHTL (including during routine maintenance and at times of emergency)</p> <p>Allocated based on land-use documentation.</p>	<p>Allowing a last harvest of crops before crops are lost (if feasible).</p> <p>Cash compensation for lost crops at full replacement value</p> <p>Access to the Livelihood Restoration Program.</p> <p>While TSO will be responsible for OHTL maintenance and operation, FLS will continue to liaise with PAPs and TSO to ensure fair compensation for crop damage during operations, ensuring that any losses of crops that may occur during routine maintenance activities or in the event of an emergency are compensated in line with the Project applicable standards.</p>

Type of Impact	Category of PAP	Number of PAPs Identified To Date	Eligibility Conditions	Entitlements
Loss of Physical Structures (Temporary)	Owners of Affected Physical Structures (e.g., barns, fences)	To be determined	<p>Owners whose physical structures are temporarily affected by the construction activities, e.g. because they need to be relocated.</p> <p>Allocated based on land-use documentation and geo-referenced photos of the assets.</p>	<p>Costs for relocation of structure <i>or</i></p> <p>Assistance with physical relocation of structures.</p>
Damage to Physical Structures	Owners of Affected Physical Structures (e.g., barns, fences)	To be determined	<p>Owners whose physical structures are damaged by the Project, e.g. during their physical relocation or as a result of construction activities.</p> <p>Allocated based on land-use documentation and geo-referenced photos of the assets.</p>	<p>Reparation of the structure <i>or</i></p> <p>Provision of materials and assistance to repair / rebuild structure <i>or</i></p> <p>Provision of replacement structure (equivalent in size, quality and value) <i>or</i></p> <p>Costs for replacement structure</p>
Loss of Subsidies/Fines (Due to Land Acquisition or Usage Restrictions)	Leaseholders, landowners	To be determined	Landowners or leaseholders who face penalties, subsidies loss, or reduced income due to	Compensation for lost subsidies, penalties, or fines

Type of Impact	Category of PAP	Number of PAPs Identified To Date	Eligibility Conditions	Entitlements
			land acquisition or restrictions on land and grazing rights. Allocated based on land-use documentation	
All of the impacts listed above.	Vulnerable PAP	To be determined	PAPs who are identified and confirmed to be vulnerable, based on gathering of additional socio-economic data and individual engagement during LRP implementation, who will experience any of the impacts listed above.	Provision of additional support measures (to be determined during LRP implementation on a one-to-one basis).

9. LIVELIHOOD RESTORATION AND IMPROVEMENT

Livelihood encompasses the diverse means individuals, families, and communities employ to sustain themselves, spanning wage-based income, agriculture, fishing, foraging, natural resource-dependent livelihoods, petty trade, and bartering. It encompasses self-consumed production, utilization of natural resources, non-cash transactions like bartering, as well as cash-based and wage income. The unit of production can vary, encompassing individuals, households, enterprises, or entire communities.

Enhancing or at least restoring livelihoods in alignment with the requirements of IFC PS 5 poses the most formidable challenge in any resettlement program. A critical initial step in livelihood planning involves gaining a comprehensive understanding of the pre-resettlement livelihoods of affected households and the array of resources they rely on to sustain these livelihoods. In rural settings, especially where subsistence production is significant, it is crucial to comprehensively consider production and income derived from various ecosystems and niches. Livelihood activities generally fall into distinct categories, including land-based, wage-based, enterprise-based, and common property—and/or natural resources—based endeavors.

Livelihood restoration is applicable to both temporary and permanent economic displacement scenarios. Projects involving temporary displacement, such as pipelines, transmission lines, construction camps, and laydown areas, necessitate tailored livelihood-restoration measures aligned with the duration, magnitude, and complexity of the impact, ensuring thorough planning and implementation.

This chapter presents a framework for livelihood restoration for individuals, households, and communities whose livelihoods are impacted by the Project. This chapter is grounded in an understanding of the current socioeconomic conditions within the Project Area and vicinity.

9.1 KEY PRINCIPLES

Key principles for livelihood restoration include inclusivity (ensuring community participation), sustainability (promoting environmentally and economically sustainable practices), cultural sensitivity, adaptability (to changing circumstances), gender equality, community empowerment, collaboration with stakeholders, timeliness, monitoring and evaluation, and flexibility in implementation to address diverse community needs. In addition, it should be assured that livelihoods are improved or at least restored.

Livelihood restoration measures should prioritize sustaining current livelihoods, opting for alternative pathways only in exceptional cases where the continuity of existing practices is unfeasible or poses significant challenges. This approach ensures a nuanced strategy that balances the preservation of established livelihoods with rare instances of exploring alternatives for the long-term well-being of affected stakeholders.

It should be noted that compensation alone does not guarantee the restoration or improvement of the economic conditions of displaced persons and / or communities and compensation payments received can be spent on different means. Therefore, in-kind compensation is greatly preferable in accordance with IFC PS 5

9.2 SURVEY RESULTS ON LRP MEASURES

The community members were surveyed to ensure that the compensation offered by the Project for potential disruptions to their livelihoods aligns with their specific needs and preferences. This engagement allows the Project to tailor its compensation strategies to address community concerns, leading to more effective measures that support the restoration of livelihoods.

Figure 9-1 below illustrates the proposed livelihood restoration strategies along with the choices made by the stakeholders that were discussed as part of the stakeholder engagement activities conducted for the LRP development.

Please note, that the survey results do not present the views and opinion of all affected people since only a small fraction of them was identified prior to engagements. Additional surveys with newly identified PAH will be conducted as part of the LRP implementation process.

FIGURE 9-1 PROPOSED STRATEGIES OF LIVELIHOOD RESTORATION



The surveyed individuals showed a strong preference for monetary compensation for lost land and goods, as well as payment for lost subsidies, with each option receiving 25 votes. This choice may be influenced by the immediate financial support that cash compensation can provide in the event of potential disruptions. This choice likely reflects the need for immediate financial support to address the economic impact of losing valuable resources.

Choosing monetary compensation also acknowledges the economic value of the resources at risk. It highlights the significance of land, goods, and subsidies in the respondents' lives. Additionally, direct payments may help reduce uncertainty regarding the project's effects, providing individuals with a form of support that enables them to plan for potential changes in their situations. Overall, this preference for monetary compensation emphasizes the community's focus on securing financial resources amid expected disruptions.

The respondents also highlighted their preferences for various restoration strategies structured as in-kind payments. Assistance with water supply and infrastructure for agriculture or livestock grazing received 13 votes. This choice reflects an awareness of the essential role that adequate water resources and irrigation infrastructure play in sustaining agricultural and livestock activities. Given the previous acknowledgment of drought and water deficit as a significant challenge (Figure 6-8), the need for reliable water sources is critical for supporting their livelihoods.

In addition, 11 votes were cast for the provision of alternative land for agriculture or grazing, indicating the community's desire for viable options to maintain their livelihoods in light of potential disruptions. However, the feasibility of this option may be limited, as expressed in the meetings; there may be no available land in the vicinity, or any land that is available could be too far away to justify moving herds. Furthermore, assistance with feed for livestock received 10 votes, as respondents recognize that the Project developer could source products from better markets, as well as enhanced storage and transportation capacities. This would potentially be more effective than individual efforts, ensuring that livestock feed is procured and delivered efficiently.

Although these options demonstrate a commitment to exploring various forms of support, they are generally seen as less favorable compared to immediate monetary payments. Compensation in kind often involves a longer implementation process, which may delay the assistance that individuals require to address the immediate financial impacts of losing land and resources. In contrast, cash compensation allows for quick and flexible responses to individual needs, providing a more adaptable solution to the challenges faced by the respondents. This preference highlights the urgency of addressing immediate financial concerns while also recognizing the potential long-term benefits of infrastructure and resource support.

The animal growers were presented with opportunities for professional development, and while over half recognized that a course in animal husbandry and farming could be beneficial, they showed a marked lack of interest in actually attending these courses. These trainings were suggested as a form of in-kind compensation. Only two respondents expressed interest in courses related to marketing agri-food products and business and entrepreneurship training. Additionally, as shown in Figure 9-1, only 5 responses were in favor of providing free courses. Overall, the general sentiment among the respondents indicated a disinterest in participating in training programs, suggesting a preference for more immediate forms of support rather than educational opportunities.

9.3 LIVELIHOOD RESTORATION APPROACH

A fundamental principle guiding the livelihood restoration process is to prioritize the support for the restoration of existing livelihood activities, as illustrated in Figure 9-2 below, due to its demonstrated higher likelihood of success, especially for vulnerable populations affected. There is also potential to enhance households' livelihood practices, leading to an overall improvement over time. The livelihood restoration program encompasses various benefit-sharing mechanisms targeting affected households.

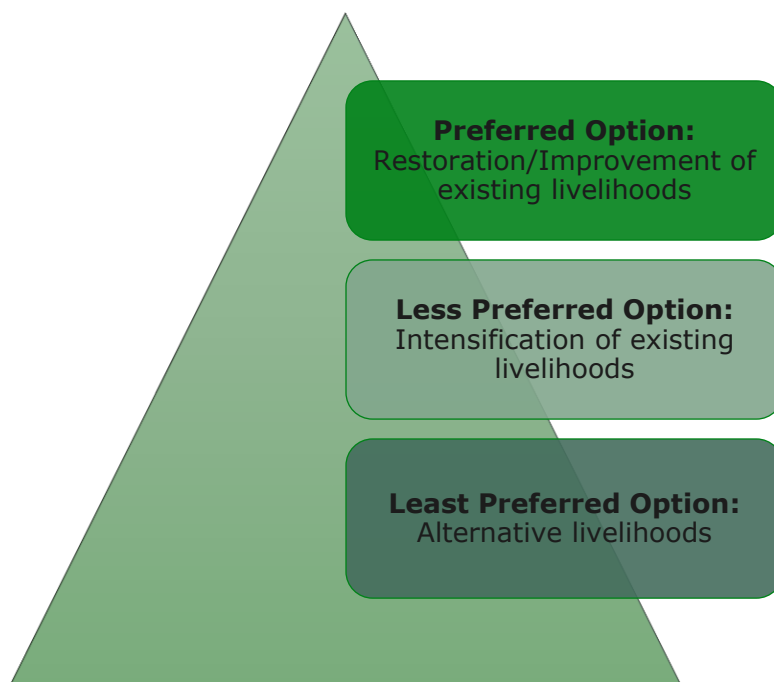


FIGURE 9-2 LIVELIHOOD RESTORATION HIERARCHY

Nevertheless, it should be noted that the preliminary baseline data suggests that the number of people engaged in agriculture has fallen in recent years with the range of livelihood activities diversifying which is caused by aging populations and increased difficult conditions to conduct livestock and farming activities due to extreme weather conditions (droughts) that agricultural livelihoods are becoming less viable and preferable amongst local people, the planned engagement activities with affected people will explore the potential for support with transitioning into new livelihoods.

The Project's livelihood restoration activities comprise general measures, supplemented by specific interventions for highly impacted or vulnerable households facing challenges in restoring their livelihoods. General measures aim to ensure effective utilization of entitlements by PAH for livelihood restoration, including temporary support measures and improved facilities on the land.

Access to LRP is generally granted to people who would otherwise be worse off after the Project land acquisition, to grant them additional support to be equally or better off in accordance with the applicable standards. Eligible persons for the LRP are outlined in the preliminary entitlement matrix presented in Chapter 8.

9.4 LIVELIHOOD RESTORATION AND IMPROVEMENT MEASURES

This section outlines proposed strategies to restore and enhance local livelihoods affected by the project. The measures aim to provide sustainable solutions that support the economic stability and resilience of the community, drawing on insights gathered from the household survey and community feedback.

Based on the above-described objectives, key principles and approach for livelihood restoration, the following measures are suggested to be included in the overall livelihood restoration program.

The suggested livelihood restoration measures further described below are based on the outcomes of the stakeholder engagement activities conducted between July and October 2024. Key challenges of local communities included drought and water deficit, lack of support and resources for animal husbandry, soil degradation coupled with low agricultural productivity, and low income or financial instability. Additional concerns involve limited market access and inadequate agricultural technology.

Furthermore, project affected people provided their views and opinion on suggested livelihood restoration measures below (Part 3 of the socio-economical survey – Strategies for livelihood restoration, Question 3.1. What do you think should be done to support the affected people in avoiding negative impacts? – *please select multiple responses if applicable*):

- Payment for lost land and goods
- Payment for lost subsidies
- Provision of alternative land for agriculture/grazing/etc.
- Assistance with water supply and infrastructure for agriculture or livestock grazing
- Assistance with feed for livestock
- Provision of free courses (e.g., drought resistance, financial management, etc.)
- Assistance to improve existing resources (e.g., organic farming or organic livestock raising)
- Community development initiatives
- Job offers within the Project (e.g., assistance with construction or maintenance work)
- Access to new technology (e.g., modern agricultural equipment, digital tools)
- Improved market access (e.g., transportation, market information)
- Enhanced storage facilities (e.g., storage sheds, cold storage units)
- Other, please specify:

The distribution of votes for each of the aforementioned measure is described in Figure 9-2 above, which provides a clear overview of the community's priorities and preferences. It is important to note that no additional measures were specified beyond those that were provided.

In addition, the project developers are also planning to offer a series of training programs to the community, separate from the LRP. These programs will consist of four modules: organic agriculture, ecological beekeeping, marketing of agri-food products, and entrepreneurship. The courses aim to improve agricultural and business skills within the community. The Organic Agriculture module will guide farmers in transitioning to ecological practices, covering a wide range of crops such as vegetables and aromatic plants, and offering a recognized certification that can facilitate access to agricultural subsidies. The Ecological Beekeeping course will focus

on producing certified organic honey, highlighting the benefits of ecological certification, including higher prices and access to international markets. The Marketing for Agri-Food Products module will teach participants how to enhance product branding and visibility through strategies like effective packaging and the use of social media and online platforms. The Entrepreneurship module will cover essential business skills, from developing an idea to securing funding and competing in the marketplace.

Leaflets with detailed information about these training programs were distributed alongside the questionnaires. Although there was a general lack of interest from participants, the field team encouraged them to take extra copies to share with family members or others who might be interested. As of writing, it remains unclear how many individuals will participate in these training activities.

The feedback from stakeholder engagement activities conducted between July and October 2024 was considered in development of the below measures.

9.4.1 MEASURES FOR LOSS OF PASTURELAND

The Project will utilize the developed land use and APIA block maps to systematically confirm all impacted land users in collaboration with the communes. These individuals will be included in the existing Project-Affected Household (PAH) register to ensure transparent tracking and equitable management of impacts.

To mitigate the impacts on subsidies, the Project will collaborate closely with local communes and mayors to establish new APIA blocks designated pastureland in 2025 considering the project's footprint. These newly developed blocks will be allocated with priority given to impacted land users listed in the PAH register. The overarching goal is to provide all affected land users with replacement parcels of equal or superior quality and subsidy generation potential compared to the 2024 land blocks.

In circumstances where providing equivalent or better land plots is not feasible, the Project will implement alternative measures to ensure that the livelihoods of impacted individuals are not adversely affected. Specifically:

- For individuals who experience a reduction in pastureland area compared to 2024 and 2025 allocations, the Project will compensate for lost subsidy revenue.
- Further support measures may include provision of fodder for livestock to offset loss of pastureland.

These measures underscore the Project's commitment to the IFC and EBRD requirements that prioritise in-kind replacement over monetary compensations. The Project will continue to work in partnership with local authorities and stakeholders to ensure the effective implementation of these strategies.

All measures must be documented as part of a comprehensive register. An example register is presented in Table 9-1 below.

9.4.2 MEASURES FOR LOSS OF AGRICULTURAL LAND AND CROPS

The agricultural land impacted by the Project primarily includes privately owned land along the OHL route, as well as some land and crops within the Right of Way (RoW) of access roads to be widened.

Beyond providing compensation for any losses incurred, the Project is committed to supporting affected individuals in restoring their livelihoods. Assistance measures will include the provision of agricultural inputs, such as seeds and fertilizers, to help land users re-establish productive use of their land. Additionally, the Project will offer agricultural training programs tailored to enhance crop productivity and sustainable farming practices. For land impacted during construction, the Project will assist in rehabilitating and preparing it for agricultural use, ensuring it is restored to its original or an improved condition. These measures aim to provide comprehensive support to affected land users, enabling them to rebuild and enhance their agricultural activities effectively.

9.4.2.1 COMPENSATION FOR CROP DAMAGE

The Project is fully committed to compensating any losses it has caused to impacted individuals in relation to agricultural land. Such losses will be addressed in accordance with the established Accidental Damage Procedure (Appendix H). This ensures that all affected parties receive fair and timely compensation for damages incurred during Project activities.

9.4.2.2 SUPPORT FOR PERMANENTLY IMPACTED LAND

Based on GIS data analysis, the overall impact of the encroached RoW on agricultural land is minimal. However, the Project recognizes the importance of addressing even minor disruptions to ensure fairness and sustainability. Fertilizers, combined with the provision of high-quality seeds, will be offered and distributed (where accepted) to affected land users, enabling them to improve crop yields and maintain their livelihoods despite the reduction in available land. The amount of fertilizers and seeds will be dependent on the total impacted area of their respective land plots.

In addition to the provision of seeds and fertilizers, each household whose agricultural plot is impacted permanently will be prioritized in training on improving agricultural productivity on their land, should they elect to participate.

9.4.2.3 AGRICULTURAL PRODUCTIVITY TRAINING

The Project will offer specialized agricultural productivity training to PAH whose land plots are impacted. This training aims to equip participants with knowledge on how to use fertilizers and strategies to enhance yields on their remaining land. Each PAH will be guaranteed one reserved spot in the training program, should they wish to take advantage of the program, ensuring equitable access to this capacity-building opportunity. Female participants will be encouraged to participate in the training to promote gender inclusion and empower women in agricultural activities. By offering this targeted support, the Project aims to help impacted households sustain and improve their livelihoods in the face of land-related disruptions.

9.4.2.4 LAND REHABILITATION AND PREPARATION

For agricultural land temporarily impacted during construction, the Project will offer comprehensive support to rehabilitate and prepare the land for agricultural use upon completion of the construction activities. This process will ensure that the affected parcels are restored to their original condition or, where feasible, improved to support better productivity. The following types of land rehabilitation and preparation support will be offered:

- **Soil Restoration:** Replenishment of soil quality through the addition of organic matter, fertilizers, or other soil-enhancing treatments to address any degradation caused during construction.
- **Recontouring Land:** Regrading and leveling the land to restore its usability, particularly for farming activities that depend on even terrain.
- **Replanting Assistance:** Providing seeds, saplings, or other planting materials to help land users quickly reestablish their crops.
- **Infrastructure Repairs:** Fixing or replacing any damaged irrigation systems, fences, or access pathways critical to the effective use of agricultural land.

9.4.3 MEASURES TO MITIGATE AND COMPENSATE SUBSIDY IMPACTS

This section outlines measures designed to prevent future impacts on subsidies and address any existing or potential penalties or losses. It emphasizes proactive strategies to safeguard subsidy eligibility while ensuring fair compensation for affected parties in cases of unavoidable disruptions.

9.4.3.1 REASSIGNING APIA LAND PLOTS

The project recognizes the importance of accurately designating APIA land plots to prevent conflicts and penalties associated with agricultural subsidies. By utilizing the developed maps, local communes will take the lead in assigning new APIA land plots. This process will ensure that plots impacted by the project footprint are excluded from being designated as APIA-declared land. This proactive measure is designed to eliminate the potential for future impacts on APIA plots by:

- Preventing the inclusion of project-affected land in the 2025 APIA land registry.
- Ensuring that all APIA-designated plots remain viable and unaffected by the project's activities.
- Maintaining compliance with APIA's regulations to safeguard the interests of landowners and leaseholders.

The start date for the 2025 definition of APIA plots was 3rd of March, and will conclude on the 31st of May. The Project is currently liaising with local communes and will share the LRP maps, especially the mapped APIA plots with the communes for reassigning plots in order to avoid any impacts on APIA payments in 2025.

Once land plots for 2025 are reassigned, the Project will verify that all PAH received new plots for land use that are of equal or improved value in terms of quality, size and hence subsidy payments. This is contingent upon the willingness of affected land users to continue their livelihood activities and formally request land plots similar to the 2024 allocated plots from the respective communes. This approach considers that a number of PAH as indicated in the socio-economic survey, have expressed a reluctance to engage further in farming activities or want to reduce scope of their farming activities.

9.4.3.2 REGISTER DEVELOPMENT OF AFFECTED APIA PLOTS AND PEOPLE

The project will establish and maintain a comprehensive register detailing all impacted APIA land plots and their respective land users. This register will include essential information such as the land area, current condition, and subsidies received by the users for 2024. When new land plots

are assigned in 2025, the project will update this register to include the details of the newly allocated plots, ensuring that the same quality and subsidy payments are secured for the new plots.

In cases where a land user receives a smaller land area, reduced subsidies, or no APIA plot at all compared to 2024, the project will actively engage with the affected Project-Affected Household (PAH) to document the circumstances and nature of the decision. If the new arrangement does not align with the preferences of the land user, the project will work closely with the communes to arrange for a land plot allocation that matches the conditions of the 2024 allocation, thereby ensuring fairness and continuity in livelihood support.

Individuals identified as vulnerable based on the findings of the socio-economic survey must be clearly marked as such in the Project register. This classification ensures that these households are prioritized in the allocation of replacement land and are monitored separately as part of the Project's ongoing vulnerability monitoring efforts. Furthermore, these households will be specifically engaged through targeted activities, such as focus group discussions, in line with the Project's comprehensive engagement approach to address their unique needs and concerns effectively.

TABLE 9-1 EXAMPLE PAH REGISTER FOR APIA LAND PLOTS

2024 Plot Identification Number	APIA	Plot Area (in ha)	Lease Holder Name	Lease Holder Contact Information	Received Subsidies 2024 Plot	Project Induced Loss of Subsidies? (Yes/No) ¹⁶	Project- Induced Penalties (if any) (Yes/No) ¹⁷	Compensation received for Penalties? (Yes/No)	Vulnerable PAH? (Yes/No) ¹⁸	2025 Plot Identification Number	APIA	2025 Plot Area (in ha)	Estimated Subsidy for 2025	Similar or Improved Condition? (Yes/No)	If No, additional measures taken by Project ¹⁹	Comments ²⁰

Source: ERM, 2025.

¹⁶ If yes, please indicate amount of subsidy loss.

¹⁷ If yes, please indicate the amount of penalties caused.

¹⁸ If yes, please include brief note on vulnerability criteria (e.g. disability, age etc.)

¹⁹ In circumstances where providing equivalent or better land plots is not feasible, the Project will implement alternative measures to ensure that the livelihoods of impacted individuals are not adversely affected, e.g. provision of fodder or water stations.

²⁰ Please note here any additional comments needed, e.g. if the lease holder prefers to reduce grazing as a livelihood activity, due to age or other reasons.

9.4.3.3 COLLABORATION WITH STAKEHOLDERS

Local communes and their respective mayors will play a central role in this process. These authorities will act as intermediaries between the project and APIA, ensuring that all stakeholders are informed and aligned. The collaboration will involve:

- Sharing the updated maps with APIA to clearly communicate the changes in land use.
- Providing APIA with a detailed record of newly assigned land plots that are outside the Project's AoI.
- Informing and involving former leaseholders about the changes to avoid misunderstandings or penalties associated with their previous APIA land designations.

By reassigning APIA land plots outside of the project's AoI, the project aims to prevent any adverse effects on agricultural subsidies or penalties for leaseholders. This approach not only safeguards the livelihoods of those dependent on APIA plots but also fosters trust and cooperation among the involved parties. Transparency and clear communication are key components of this process, ensuring that all changes are managed effectively and equitably.

The Project will engage with APIA and flag the issue of land acquisition and sanctions. In case there should be any sanctions imposed on local farmers due to the Project's lack of communication about the land acquisition planning to affected people, those subsidies and resulting loss in future subsidies (up to 3 years) will be paid in full by the Project (see section below).

By endorsing this LRP the project acknowledges its responsibility to conduct ongoing engagement and to collaborate closely with community liaison officers, local mayors, and impacted individuals. This commitment aims to enhance the information-sharing and engagement process while fostering strong, positive relationships with affected communities. Through this continuous engagement, the project will work actively to obtain essential data that reflects the actual impact on all individuals, including those who share land plots. By securing accurate and up-to-date information, the project seeks to ensure that compensation payments are fair and based on the true extent of impacts experienced by each person. This collaborative approach is intended to facilitate a transparent and equitable compensation process for all project-affected people.

9.4.3.4 COMPENSATION PAYMENTS FOR LOST SUBSIDIES

Please note that this section should exclusively apply to the preceding 2024 period. From 2025 onwards, with the reassignment of APIA plots outside the Project footprint, any potential losses or fines should be effectively avoided, ensuring compliance with relevant regulations and minimizing any impacts on PAPs stemming from penalties or lost subsidies.

APIA implements sanctions if the land is not managed in line with the Payment Claims made by 1st of March -and 15th of May for the respective agricultural year:

- if more than 30% deviation is resulting from APIA's monitoring, all subventions are denied for 3 years, for all categories, and
- if less than 30% - then the amount of subvention deduction is calculated based on the undeclared area.

Considering the above on financial penalties, the Project will work to establish exact surfaces disturbed by the Project in a timely manner and prior to 15 May to ensure farmers are aware of the impact of the Project on leased areas and implications for their subsidy applications to ensure that they are compensated and that there are no significant financial damages for the farmers.

The Project will continue to gather information on subsidies from impacted farmers/animal breeders. This data will be verified by review of payment records from APIA made to the impacted farmers. In cases where payment records are not directly made to farmers, the Project will liaise with the respective authorities to receive information of payments.²¹ The Project proposes to pay impacted farmers the full replacement value of the subsidy in case of loss in addition to paying all penalties that were caused by the Project.

The Project will continue liaising with PAH and the communes to ensure all farmers affected by the potential loss of subsidy due to the reduction in size of grazing area or penalties caused by the Project will be identified and compensated for by the Project.

9.4.3.5 COMPENSATION APPROACH FOR LOST SUBSIDIES

A significant challenge in the project's assessment process is the ambiguity surrounding the distribution of land ownership among PAPs registered on shared land plots. Within certain land plots, multiple individuals are registered without clear information on how these plots are subdivided among them. This lack of detailed division presents an issue because the project impacts only certain parts of these plots. Consequently, without precise knowledge of individual holdings, the project risks imposing uneven or disproportionate impacts on the different PAPs, particularly in terms of subsidy loss. Despite efforts to clarify these subdivisions during engagement sessions, affected individuals were either unwilling or unable to specify the details of their shares, leaving the assessment incomplete.

In response, the project team attempted to obtain further clarity on land division by contacting the national land agency, APIA that is responsible for maintaining land-related records and subsidy allocations. However, APIA did not initially share the requested detailed information on plot divisions among affected individuals, potentially due to confidentiality constraints or lack of specific data. Without this collaboration, the project team faces difficulties in accurately assessing the impact on each person sharing a plot, especially as only parts of the plot are directly impacted by project components. Lately, APIA has agreed to engage and the project is now in direct contact and working to reconcile the currently available information and ascertain which PAPs are eligible for compensation.

While this issue is being addressed, the following approach for compensation is proposed:

The project will calculate the total subsidy that would apply to the entire shared plot and set this sum aside for compensating losses. Additionally, targeted engagement efforts will be made to connect with affected individuals sharing the impacted plots, aiming to map out the actual division of these plots. These meetings will emphasize the importance of accurate division information, particularly for determining subsidy loss per individual. Anticipating that PAPs may not provide division details immediately, the project team expects more complete information by May 2025, when APIA subsidies and related penalties are processed. If penalties arise due to a lack of subdivision information, the project will offer compensatory payments to cover such

²¹ Please note, that this assessment and verification will be conducted as part of the land acquisition scope.

penalties, ensuring no individual is financially burdened due to the current lack of clarity on plot division.

In cases where there is no clear division of the land plot and affected individuals share the entire plot collectively, this arrangement will be documented in the form of a signed statement by all impacted individuals, confirming the shared nature of the plot. Should any subsidy loss or penalty apply to the shared plot, the associated amount will be divided equally among the registered individuals. The disbursement will reflect this division, ensuring that all parties receive an equitable share of the compensation, based on their collective ownership of the land plot.

9.4.4 MEASURES TO MITIGATE IMPACTS ON ASSETS

The Project has conducted a comprehensive mapping of all assets located within the Project AoI. It has been determined that all present structures are of semi-permanent nature and consist of animal sheds. These movable sheds constructed with the intention of being relocated periodically with herd movement. The primary approach of the Project will be to avoid impacts on such assets wherever possible.

To achieve this, the Project will engage proactively and in a timely manner with asset owners, ensuring clear communication about the Project footprint and any potential impacts. The mapping process has accounted for both individual-owned assets and community assets. Asset owners will be informed about the anticipated impacts and will be provided with the choice to relocate their assets independently or to receive support from the Project for the relocation process. The decision will be signed-off by asset-owners or community representatives before relocation of assets. Part of the sign-off will be the documentation of the asset condition prior to relocation by the Project E&S Manager or implementation consultant.

The Project commits to compensating for any accidental damages to assets incurred during the relocation process. This will be done in the form of the provision of replacement materials of equivalent or better quality or direct repair of damages. The Project should engage with PAPs in case of accidental damages and PAPs should inform the Project about their preferences for reparation. Additionally, the Project will provide technical and logistical support as necessary to facilitate a smooth and efficient relocation, for example by providing trucks for transportation of materials. This approach emphasizes the Project's overall livelihood restoration and compensation approach, giving preference to in-kind replacements.

9.4.5 COMMUNITY DEVELOPMENT PROGRAM

The Project developers are planning to organize training programs for the community, independent of the LRP. Four modules are being envisioned, including organic agriculture, ecological beekeeping, marketing of agri-food products, and entrepreneurship. The course modules cover a range of topics aimed at enhancing agricultural and business skills within the community.

The **Organic Agriculture** module offers guidance for farmers looking to transition to ecological practices, providing participants with knowledge applicable to various crops, from vegetables to aromatic plants. Completion of the course also grants a recognized certification, facilitating access to relevant agricultural subsidies.

The **Ecological Beekeeping** course addresses the process of producing certified organic honey, emphasizing the benefits of ecological certification and potential market opportunities, including higher honey prices and access to international markets.

The **Marketing for Agri-Food Products** module focuses on branding and promotion, teaching participants how to enhance product visibility and sales through effective packaging, social media, and online platforms.

Lastly, the **Entrepreneurship** course is designed to equip participants with the skills to launch and sustain successful businesses, covering essential topics from idea development to securing funding and navigating the competitive landscape. Leaflets outlining the details of these activities were distributed along with the questionnaires. Although participants generally expressed disinterest in such programs, the field team encouraged them to take multiple copies of the leaflets to share with household members or others who might find them appealing. As of writing, there is no indication of how many individuals may express interest in or attend these activities in the future.

9.5 GENDER CONSIDERATIONS

Economic displacement can disproportionately impact women's livelihoods, with potential disruptions to income sources affecting family essentials like food, education, and clothing. The loss of livelihood streams linked to relocated natural resources can be especially detrimental. Targeted programs restoring or diversifying women's incomes play a crucial role in enhancing family well-being, child welfare, and educational opportunities. Economic displacement can add to women's burdens by altering work calendars, daily routines, and social networks, potentially leading to increased stress and vulnerability to domestic violence.

The assessment revealed that many vulnerable households had women in homemaker roles, leading to economic dependency. Discussions with respondents indicated that women frequently shoulder caregiving duties, restricting their involvement in economic activities outside the home. This reliance on one or a few income earners heightens household vulnerability, particularly in families dealing with old age, health problems or disabilities.

The field team had scheduled a targeted engagement with women, aiming to conduct a focus group to better understand their specific challenges and needs. Unfortunately, this meeting never materialized. The reasons remain unclear, but it appears to have been a combination of low participant interest and a lack of proactive support from the local authorities. Despite efforts to encourage participation, both logistical barriers and a general disinterest from decision-makers contributed to the session's cancellation.

The following actions will be taken by the Project to support women:

- **Strengthening engagement:** The Project will adopt an active approach to strengthening engagement with impacted women, ensuring their meaningful participation in and benefit from livelihood restoration measures.
- **Support to Participate in Trainings:** Women will be encouraged to take part in activities such as agricultural productivity training, including sessions on the efficient use of fertilizers and other sustainable farming techniques. To promote inclusivity and empowerment, the Project will reserve preferential spots for women from affected households in these training programs. At least 50% of the spots available for such trainings will be reserved for women.

The Project commits to providing targeted support to encourage women's participation in training programs. This includes offering childcare support to alleviate caregiving responsibilities and organizing mobile training sessions to ensure accessibility for women who may face mobility or location constraints. These measures aim to remove barriers to participation and promote gender inclusivity in all Project-supported initiatives.

- **Encourage shared bank accounts:** To ensure equitable access to financial resources, any compensation payments, such as for crop damage, will be transferred to shared bank accounts whenever possible. This approach not only promotes transparency but also supports women's active involvement in household decision-making and financial management. By prioritizing women's engagement, the Project aims to foster gender equity and strengthen the resilience of affected communities.
- **Monitoring and Evaluation:** As part of the Project's ongoing monitoring and evaluation efforts, the participation of women in engagement initiatives and training programs will be systematically tracked. This monitoring will encompass both activities conducted under the LRP measures and those implemented as part of the broader Community Development Program. By evaluating women's participation, the Project aims to ensure inclusivity, assess the effectiveness of its initiatives, and identify opportunities to enhance gender-responsive programming.

9.6 VULNERABILITY SUPPORT MEASURES

The support measures for vulnerable individuals will be integral to the final LRP. These measures should encompass four key components:

- Identification of households and individuals as potentially vulnerable or prone to vulnerability due to the impacts of land acquisition
- Implementation of targeted interventions / additional support measures for vulnerable households during LRP execution with special considerations in the planning process (e.g., additional individual meetings, assistance in finding alternative grazing lands etc.)
- Ongoing monitoring of all vulnerable households to ensure their access to Livelihood Restoration Program activities is maintained, and that their current circumstances do not deteriorate as a result of the Project
- Referral of vulnerable households to reputable community service providers (or assistance in accessing these services) if LRP activities are proving to be insufficient or ineffective

Tailored support measures will be designed in consultation with PAH, community leaders, government agencies, or relevant civil society groups. The delivery of such tailored support will be closely monitored during the land acquisition process to ensure that it is achieving its intended outcomes, with adjustments made to the measures as necessary.

When respondents were initially asked if they belonged to a vulnerable group, most did not self-identify as such. However, after a thorough review of the survey responses and follow-up discussions conducted in person, ERM carefully assessed the information provided. Based on this careful evaluation, the team decided to categorize certain individuals as part of a vulnerable group, even if they did not initially define themselves that way.

The socio-economic survey suggests that the surveyed community may experience various vulnerabilities. Among the respondents, seven individuals are over the age of 60, identifying them as potentially vulnerable, though this requires further verification. Additionally, six

households reported having members with disabilities or chronic health conditions, which may indicate potential vulnerability. However, a comprehensive assessment during the LRP implementation of all households identified is necessary to confirm these findings, considering additional factors such as income sources, education levels, and access to alternative land. Employment data reveals a pattern of economic dependency. In 13 households, there are members who are unemployed, exclusively all are female homemakers responsible for caregiving or domestic duties. This situation contributes to a reliance on a limited number of income earners per household, potentially increasing their economic vulnerability.

Income data indicates that several households are at or below Romania's poverty headcount ratio, which is set at \$2.15 per day according to The World Bank²² per year per household member (equivalent to 3,536 Ron per year per person). Specifically, 6 households fall below this threshold when considering the average annual income per household member relative to the number of residents. These households could be potentially vulnerable on account of their limited financial resources. Additionally, 7 households were unsure about their annual income; the vulnerability of these households from an economic perspective is thus yet to be determined.

Overall, the data highlights a community with a diverse set of socio-economic challenges. Households with fewer members tend to have higher income stability, but the presence of elderly, disabled, or economically dependent members complicates their financial situation.

To address vulnerabilities identified during the socio-economic survey, targeted support measures will be implemented to minimize the impacts of land acquisition. Vulnerable households (PAHs) have been identified to ensure their specific needs are prioritized within the LRP. However, it is important to consider the limited participation of affected households in the initial surveys (see Chapter 3). As a result, the current data may not fully capture the extent of potential vulnerabilities within the community. To address this, conducting a rapid survey of households that did not participate will be a critical step during the LRP implementation. This will help gather essential information needed to accurately identify and assess vulnerability, ensuring that support measures are appropriately targeted and inclusive.

During LRP execution, personalized interventions, such as individual meetings and assistance in locating alternative grazing lands, will be conducted to mitigate Project-induced vulnerability. Monitoring will be ongoing to keep PAHs engaged, and if LRP activities are insufficient, referrals to community service providers will be made. Tailored support will be developed in consultation with PAHs, community leaders, and relevant stakeholders, with adjustments made as needed, once their vulnerability has been verified.

²² Poverty headcount ratio at \$2.15 a day (2017 PPP) (% of population) | Data

10. STAKEHOLDER ENGAGEMENT

Early stakeholder engagement, provision of relevant information and disclosure of information is crucial in livelihood restoration programs because it ensures that the needs, perspectives, and expertise of all affected groups are considered from the outset. This proactive approach fosters a sense of ownership and commitment among stakeholders, leading to more sustainable and effective solutions. Engaging stakeholders early helps identify potential challenges and opportunities, facilitates the alignment of program objectives with community priorities, and enhances transparency and trust. By incorporating diverse viewpoints, the program can develop more comprehensive and culturally appropriate strategies, ultimately leading to more successful and resilient outcomes.

This chapter provides an overview of stakeholder engagement activities conducted as part of the Project ESIA and LRP development.

10.1 SUMMARY OF ESIA STAKEHOLDER ENGAGEMENT ACTIVITIES

In support of the ESIA process and in alignment with the international applicable standards, key stakeholders were consulted during the following stages:

- Scoping process for the ESIA, November 2022, and
- Socio-economic baseline data collection for the ESIA, March – April 2023.

Engagement during the scoping stage of the ESIA is presented in Table 10-1 below. The purpose of engagement meetings was to:

- Share relevant information about the Project and the forthcoming ESIA process including planned activities
- Validate the Social Area of Influence defined for the Project
- Establish communication channels with key institutional stakeholders and introduce the contact person for the Project and their communication details
- Understand concerns, grievances, and questions that stakeholders may have about the Project. Address these where possible or commit to providing a response, and
- Understand sentiment to the Project.

A socioeconomic and health baseline qualitative data collection field survey was undertaken by ERM between March – July 23 in the Project area.

This included key informant interviews (KII) and focus group discussions and ground truthing in the settlements the five territorial administrative units (ATU) where the Project is to be implemented. The meetings were organized in collaboration with the newly appointed Community Liaison Officer (CLO) for the Project, who attended the meetings with the elected representatives and local farmers. The primary goal of these activities was to collect baseline information on perceived socioeconomic and health factors and engage around key potential risks and opportunities associated with the Project.

The meetings consisted of:

- Key Informant Interview (KII) with relevant stakeholders (elected community representatives and civil servants in charge with agricultural, social assistance or planning departments, health and education professionals and policemen).

- Focus groups discussions with farmers in all communes and with beneficiaries of the Day Elderly Centre in Smeeni.

Data collected during these meetings was integrated in the sections of the Socioeconomic Baseline Study conducted as part of the ESIA process.

An additional goal of the local engagement was to build on the local knowledge to refine stakeholder identification for the Project, resulting in a more comprehensive stakeholder identification and Stakeholder Engagement Plan (SEP) preparation.

Additionally, a community grievance mechanism was established, in partnership with local authority representatives. Grievance boxes were set up in each Commune Hall and in Pogoanele Town Hall. During the site visit in July 2024, the LRP team verified that grievance boxes are not placed under CCTV to ensure anonymity of the process. During the verification process, it was found that Gheraseni Commune and Pogoanele Town did not comply with the conditions. It was suggested to the Mayors and the CLO that the grievance box be relocated to an area not under CCTV surveillance to maintain the anonymity of the process.

In case it should be established that grievance boxes are not fulfilling the anonymity criteria, an alternative location will be suggested.

Figure 10-1 below presents an overview of stakeholder engagement activities conducted for the Project ESIA.

TABLE 10-1 OVERVIEW OF SCOPING PHASE ENGAGEMENT

Date	Stakeholders met	Feedback
23 November, Gherăseni Commune Hall	<ul style="list-style-type: none"> Gherăseni Commune Mayor Gherăseni Project Manager 	<ul style="list-style-type: none"> Key Project benefits: electricity; construction tax; the new project roads; more money for public expenditure Development objectives – public irrigation system Perceived impact on current grazing use – relatively low, particularly given the poor quality of the pastureland, other than in the months of May-June, and the available pastureland available. 4 sheepfolds are active in the commune.
23 November, Jintrești Commune Hall	<ul style="list-style-type: none"> Jintrești Commune Mayor Jintrești Commune - Acquisition 	<ul style="list-style-type: none"> Key Project benefits: public lighting/ electricity Diminishing confidence, the Project is going to be implemented
23 November, Pogoanele Town Hall	<ul style="list-style-type: none"> Pogoanele Town Vice-Mayor Pogoanele Town Secretary Pogoanele Town Administrator 	<ul style="list-style-type: none"> Lack of clarity around the contractual arrangement, as the concession contract were signed more than a decade ago Key Project benefits: access of locals to security and maintenance jobs; also, local people are interested to offer accommodation to the workforce - this was done when a company from a different county conducted the works on the sewerage system in Pogoanele. Development objectives: private irrigation system (not in the Project area); a new old age centre
24 November, Costești Town Hall	<ul style="list-style-type: none"> Costești Commune Mayor 	<ul style="list-style-type: none"> Key Project benefits: electricity; the new Project roads which will enable farmers to avoid DN3; APIA is using tele-detection so it is important to communicate early what the construction schedule is
24 November, Smeeni Town Hall	<ul style="list-style-type: none"> Smeeni Commune Mayor Smeeni Commune Secretary Smeeni Commune - Acquisition 	<ul style="list-style-type: none"> Development objective: currently, the residents use five - seven crossings over Calmatui River that are not up to standard; only one crossing is fully functional. It is not clear what crossing will the Project use - engagement on this matter could lead to a solution that also benefits the community
24 November, Luciu Town Hall	<ul style="list-style-type: none"> Luciu Commune Mayor 	<ul style="list-style-type: none"> Key Project benefits: Project Roads, construction tax, electricity, jobs for local youth Development objective: a produce processing plant Concession contract should be re-discussed

Source: ERM, November 2022

10.2 STAKEHOLDER ENGAGEMENT ACTIVITIES FOR LRP DEVELOPMENT

This chapter outlines the stakeholder engagement and field survey activities, emphasizing the integration of these efforts to ensure efficient planning and mitigate stakeholder fatigue.

Individuals identified via interaction between the community liaison officer (CLO) and local administrations were informed about the planned livelihood restoration activities, including stakeholder engagement and field surveys, by the CLO and respective mayors. This preliminary information sharing aimed to ensure the availability of affected people and alignment with their schedules.

The engagement and field visit approach included mixed methods such as town hall meetings in the communes to provide specific project information, supplemented by project leaflets and the company website. Following this, ERM lead an information session explaining livelihood restoration terms relevant to the socio-economic survey questionnaires. These questionnaires were designed as multiple-choice with options for free text, to be filled out by the affected people with the guidance of ERM and project personnel. Assistance was available for those needing help with reading or writing. The census survey was combined with the socio-economic questionnaires. This data collection was complemented by Key Informant Interviews (KIIs) and a FGD (see Chapter 3).

For the planned LRP stakeholder engagement the following materials/measures were planned/developed that were conducted prior to collection of the social surveys:

- Preliminary engagement via the Project CLO (Mr. Bodnar)
- Project leaflet with key information on the Project and potential displacement impacts and the Project Grievance Mechanism (Appendix C);
- Townhall information sessions for LRP in each commune;
- Brief presentation (PPT) with key Project information and layout to support townhall discussions (Appendix E);

The following stakeholder engagement meetings and survey activities presented in Table 8-2 were conducted in between July and October 2024 to inform the Project's LRP. All meetings were documented in the form of minutes and attendance lists and pictures were taken of the stakeholders that gave their consent.

For the LRP data collection activities five separate sets of questionnaires were developed, composing of the following and further described in Chapter 4:

- Socioeconomic Household Survey Questionnaire (Appendix A)
- Focus Group Discussion Questionnaires (Appendix B)
- Guiding Questions for Engagement with Key Informants (Appendix D)

The main goal of the questionnaires was to help develop a detailed socio-economic baseline with information specific to the affected people. Focus was placed on understanding their livelihoods, but also their general socio-economic condition in order to provide an analysis of how livelihood impacts will affect their overall living condition. Specific questions were also asked regarding terms of land lease contracts, receipt of subsidies for the land used and eventual penalties.

Table 10-2 below presents the team present on the site visits.

TABLE 10-2 SITE VISIT TEAM

Company	Role	Function
Environmental Resources Management (ERM)	National Social Experts	Stakeholder Engagement & Social Survey Lead, Development of LRP
	Project Manager	Stakeholder Engagement & Project Management
	International Social Expert	Remote Support, Development of LRP
Rezlov Energy	ESG Manager	Engagement Support
	EHSS Manager	Engagement Support
	Community Liaison Officer	Engagement Support, Social Survey Support

The following stakeholder engagement meetings and survey activities presented in Table 8-2 below are the stakeholder meetings conducted throughout July and October 2024

TABLE 10-3 LRP STAKEHOLDER ENGAGEMENT AND FIELD SURVEY ACTIVITIES TO DATE

Stakeholder Group	Attendance count	Activities	Date	Time	Location
Land Users of Tintesti Commune	7	<ul style="list-style-type: none"> Socio Economic Census Survey Rapid Census Survey Open Discussions Review of Contracts 	29.07.2024	09am – 12pm	Tintesti Town Hall
Land Users of Cilibia Commune	4	<ul style="list-style-type: none"> Socio Economic Census Survey Open Discussions Review of Contracts 	29.07.2024	13pm – 15pm	Cilibia Town Hall
N/A	N/A	<ul style="list-style-type: none"> Site Walk Over 	29.07.2024	16pm – 17pm	Luciu Construction Site
Land Users of Smeeni Commune	7	<ul style="list-style-type: none"> Socio Economic Census Survey Rapid Census Survey Open Discussions Review of Contracts 	30.07.2024	09am – 12pm	Smeeni Community Center
Land Users of Costesti Commune	4	<ul style="list-style-type: none"> Socio Economic Census Survey Rapid Census Survey Open Discussions Review of Contracts 	31.07.2024	09am – 12pm	Costesti Town Hall
Mayor of Gheraseni	2	<ul style="list-style-type: none"> Rapid Census Survey Open Discussions 	31.07.2024	13pm – 14 pm	Gheraseni Town Hall
Land Users of Luciu Commune	4	<ul style="list-style-type: none"> Rapid Census Survey Open Discussions Review of Contracts 	01.08.2024	9am – 12 pm	Luciu Town Hall

Stakeholder Group	Attendance count	Activities	Date	Time		Location
Mayor of Pogoanele	1	<ul style="list-style-type: none"> Rapid Census Survey Open Discussions 	01.08.2024	13pm 14pm	–	Pogoanele Town Hall
Land Users of Luciu Commune	9	<ul style="list-style-type: none"> Socio Economic Census Survey Open Discussions Review of Contracts 	18.09.2024	09am 12pm	–	Luciu Town Hall
Land Users of Pogoanele Town	7	<ul style="list-style-type: none"> Socio Economic Census Survey Open Discussions Review of Contracts 	19.09.2024	09am – 12pm		Pogoanele Town Hall
N/A	N/A	<ul style="list-style-type: none"> Site Walk Over 	19.09.2024	13pm 15pm	–	Luciu Construction Site
Land Users of Costesti Commune	4	<ul style="list-style-type: none"> Socio Economic Census Survey Open Discussions 	26.09.2024	08am 11am	–	Costesti Town Hall
Land Users of Tintesti Commune	1	<ul style="list-style-type: none"> Socio Economic Census Survey Open Discussions 	26.09.2024	12pm 13pm	–	Tintesti Town Hall
Land Users of Gheraseni Commune	3	<ul style="list-style-type: none"> Socio Economic Census Survey Open Discussions 	26.09.2024	14pm 16pm	–	Gheraseni Town Hall
Land Users of Smeeni Commune	7	<ul style="list-style-type: none"> Socio Economic Census Survey Open Discussions 	27.09.2024	09am 13pm	–	Smeeni Town Hall
N/A	N/A	<ul style="list-style-type: none"> Site Walk Over 	27.09.2024	13pm 15pm	–	Luciu Construction Site

10.3 STAKEHOLDER ENGAGEMENT AND CONSULTATION

A dedicated segment of the questionnaire focused on gathering information related to the stakeholder engagement and consultation process. This section aimed to understand the level of awareness, involvement, and satisfaction of affected individuals regarding their participation in decision-making processes related to the project. It also sought to capture feedback on the effectiveness of communication channels, the inclusiveness of consultations, and any concerns or suggestions for improving stakeholder engagement moving forward. This information is critical for ensuring that the LRP is developed in a transparent, participatory manner, reflecting the voices and concerns of all stakeholders and initiate change management where needed.

Stakeholder feedback was gathered during each engagement session and discussions highlighted a range of perspectives on the project. Some local officials expressed a positive outlook, emphasizing that the project posed minimal risks to livelihoods, as it affected only a small proportion of land. However, concerns were raised regarding the lack of alternative grazing land and the potential financial burden on farmers due to penalties for land potentially declared as agricultural despite ongoing construction.

Farmers and association representatives voiced concerns over compensation schemes, noting that a universal approach would not be feasible, as different farmers would require tailored solutions. The decline in cattle numbers over time was also noted, attributed to aging farmers and limited interest from younger generations in livestock management. Some stakeholders emphasized the need for agricultural training programs and compensation mechanisms that align with agricultural cycles.

Discussions also revealed concerns about infrastructure impacts, with local authorities confirming that lease contracts for pasture land are expected to be renewed in accordance with terms regarding the future project footprint. Additionally, officials assured that not all pastures in the area would be affected, and infrastructure improvements such as road consolidations were already planned as part of the broader development.

In terms of grievance mechanisms, it was confirmed that grievance boxes are available. Some grievances are reported verbally through local authorities rather than through formal channels.

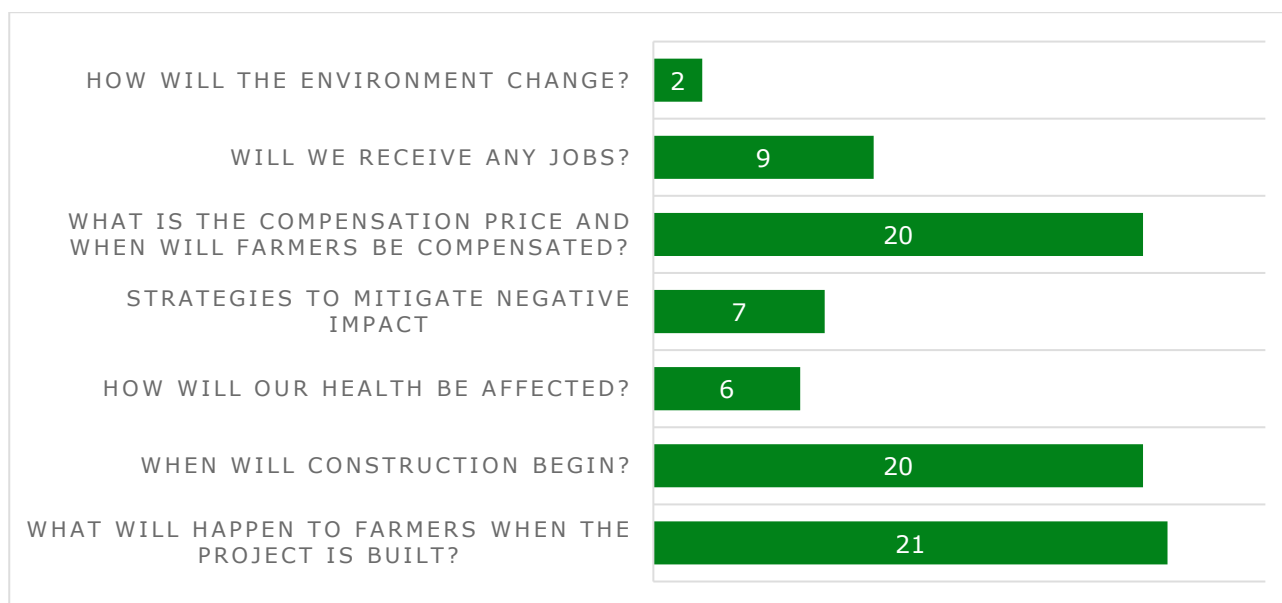
The discussions concluded with a general acknowledgment of the project's importance, though some stakeholders remained skeptical about specific aspects, such as noise levels and environmental impacts. Authorities reassured that project-related concerns would be addressed through proper planning and coordination.

As illustrated in Figure 10-1 below, the respondents prioritized specific information regarding the project's implications for their livelihoods. The most pressing questions included: What will happen to farmers when the project is built? When is construction expected to begin? What is the compensation price, and when will farmers receive their compensation? These inquiries reflect a significant concern for the immediate impacts of the project on their economic stability.

Conversely, topics such as job opportunities related to the project, potential health and environmental impacts, and strategies for mitigating negative effects gathered less attention from the attendees. This suggests that survey participants are primarily focused on understanding how the project will directly affect their day-to-day lives and financial security, rather than broader issues that may arise from the project's execution. This emphasis on

personal and immediate concerns highlights the importance of addressing the specific needs and anxieties of the community as the project moves forward.

FIGURE 10-1 INFORMATION DESIRED BY SURVEY PARTICIPANTS FOR FUTURE COMMUNICATION

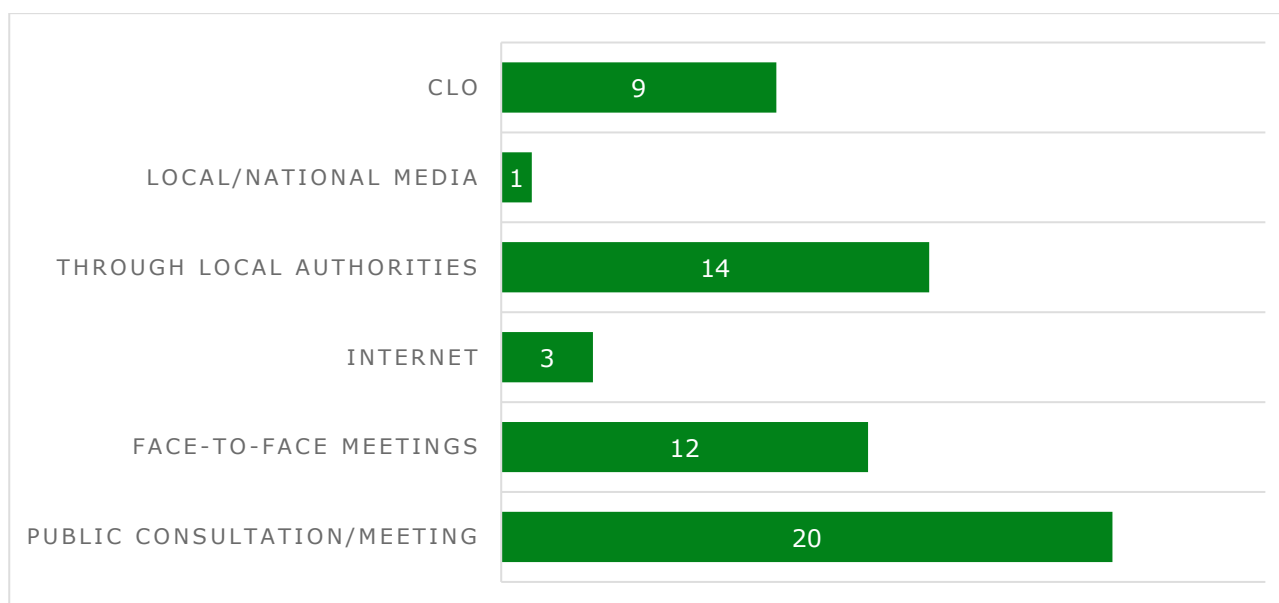


Regarding the preferred methods of communication for disseminating information (Figure 10-2 below) the respondents indicated that public consultations or meetings were the most favorable option. This reflects a desire for direct engagement and open dialogue, allowing participants to voice their concerns and ask questions in a communal setting.

Following public consultations, communication through local authorities was prioritized as the second most favorable method. This suggests that respondents value official channels and trust local government representatives to relay information effectively. Face-to-face meetings ranked third, highlighting the importance of personal interaction in fostering understanding and trust.

The Community Liaison Officer (CLO) was ranked fourth, indicating that while this role is recognized as a potential communication channel, it may not be the primary choice for most participants. Lastly, a minority of respondents preferred to receive information through the internet or press, suggesting that these methods are viewed as less effective for their needs. Overall, these preferences emphasize the importance of direct and personal communication in ensuring that stakeholders remain informed and engaged throughout the project.

FIGURE 10-2 PREFERRED METHODS OF COMMUNICATION FOR DISSEMINATING INFORMATION



10.4 OUTSTANDING ENGAGEMENTS

The Project recognizes that, at this stage, not all Project-Affected Households (PAHs) have been identified due to the delayed receipt of comprehensive land ownership and use data. As a result, some PAHs were not included in LRP-specific stakeholder engagement sessions and did not have the opportunity to participate in the socio-economic survey. The Project acknowledges that this constitutes a gap in its efforts to ensure equitable and inclusive engagement.

To address this issue, the Project is committed to implementing concrete measures as part of the LRP to close these gaps. The Project will develop a comprehensive register of all PAHs based on final land maps, including APIA blocks and other relevant land use data. This register will serve as a foundational tool for ensuring that all impacted individuals that can be reached are accounted for and included in LRP activities. The Project will conduct socio-economic surveys with PAHs that were not previously interviewed. Priority will be given to gathering data that enables the identification and assessment of potential vulnerabilities. This will ensure that all impacted households have the opportunity to provide input and that their specific needs and circumstances are understood and addressed in the LRP implementation.

With regard to land owners along the OHTL line, during the implementation of the LRP, the project will engage with the 2 known PAPs and other stakeholders e.g (commune authorities) who are using the land along the OHTL with the aim of identifying the underlying landowners/ The Project will subsequently seek to negotiate with these land owners where they can be identified, to ensure that they are informed about the presence of the OHTL infrastructure upon their land, the associated impacts during operations and associated compensation process, alongside details about the Project's Grievance mechanisms.

In addition, the Project will engage and support those impacted by permanent restrictions as a result of the operation of the OHTL should they wish to seek statutory compensation from the TSO. The Project will provide relevant information with regard to the process to be followed in

seeking compensation and provide guidance and support as appropriate in helping landowners gain compensation.

10.5 LRP DISCLOSURE

Once the LRP receives final approval from the lenders, the Project will proceed with its formal disclosure. This process is essential to ensure transparency, accountability, and accessibility for all stakeholders.

The LRP will be made publicly available on both the Project Company's website and the lenders' websites. To ensure inclusivity and accessibility, the document will also be translated into local languages, enabling all stakeholders, including Project-Affected Households (PAHs), community members, and other interested parties, to review its contents.

This disclosure will provide stakeholders with detailed information about the LRP's objectives, planned measures, and implementation processes. It reflects the Project's commitment to open communication and enables stakeholders to remain informed about the steps being taken to address the impacts on affected households and communities.

In addition, the Project commits to liaising closely with communes and community representatives to organize dedicated LRP disclosure meetings in each of the affected communes. These meetings will serve as a platform to present the key elements of the LRP, address any questions or concerns, and gather feedback from the communities. By facilitating these face-to-face interactions, the Project aims to ensure that all stakeholders are well-informed about the LRP and can actively engage in its implementation.

11. GRIEVANCE MANAGEMENT

An effective stakeholder engagement process can help prevent grievances. Nevertheless, projects with significant environmental and social impacts often lead to stakeholder grievances. This section outlines the framework for the grievance redress mechanism (GRM) to identify, track, and manage grievances raised by external project stakeholders.

The main objective of the grievance mechanism is:

- To address grievances promptly and effectively in a transparent manner, resulting in fair, efficient, and lasting outcomes.
- To offer a grievance management process that is culturally appropriate and easily accessible to all parties affected by the project.
- To build trust as integral component of the Project community relations activities.
- To facilitate the systematic identification of emerging issues, enabling corrective actions and proactive engagement.

A GRM was developed and implemented as part of the Project ESIA process and the same process is applicable when handling land related grievances. The GRM will be maintained throughout the Project life cycle, to ensure that grievances are promptly heard, analyzed and, to the extent possible, resolved. This includes the LRP development. The GRM was explained to all participating stakeholders during the LRP development process.

A summary of the Project GRM can be found in the below sub chapters. The detailed GRM is included in the overall Project Stakeholder Engagement Plan (SEP).

11.1 GRIEVANCE PROCEDURE

The objective of this system is to ensure there is a robust and transparent process available for addressing complaints. This system comprises a sequential process of three (3) levels of resolution. The next level of resolution is triggered if the complaint cannot be resolved at a lower level, although the Project recognizes and accepts that complainants may go directly to Level 3 to lodge complaints. Box 9-1 below presents the three levels of the Project grievance resolution system.

BOX 9-1 THE PROJECT GRIEVANCE RESOLUTION SYSTEM

Level 1: This level of resolution is for complaints that can be resolved by the Project directly with the complainant. This level of complaint can be dealt with through immediate corrective action.

Level 2: If the complainants are not satisfied with the resolution proposed by the Project, they can appeal to the Project Grievance Committee.

Level 3: If the complainants do not accept the resolution or decision at level 2 then they can take legal action within the Court system. The Project does not control this level of resolution but acknowledges this process is available to stakeholders. It also acknowledges that some complainants may choose to proceed directly to this level of resolution.

The Project Grievance Committee consist of: Project Communications and Engagement Staff, Construction Contractor representatives, local government representatives, and community representatives.

11.2 PROJECT GRIEVANCE MECHANISM

Land related grievances shall be managed in accordance with the Project's Grievance Procedure (Figure 9-1). All grievances must be handled in a discreet and objective manner. The Project Communications and Engagement Staff must take into consideration the sensitive nature of the needs and concerns of the affected communities and be responsive to the grievances made by the Project-Affected Parties, especially during the peak of the construction period.

All grievances and how they have been managed will be recorded in the Project grievance log including complaint details, a summary of the grievance, the resolution or agreement on proposed actions (between the Project and the complainant), and monitoring actions taken in response to the grievance.

All correspondence related to the grievance must be documented in the Project grievance log for monitoring, reporting and learning. This will help drive continual improvement.

Step 1: Receive and Acknowledge Grievance

A variety of methods will be available through which stakeholders can lodge grievances. This will include:

- Verbal communication with Project Communications and Engagement Staff. For those who have difficulty reading or writing or inexperienced with the complaint process the Project Communications and Engagement Staff will assist them in filling out the Grievance Form.
- Written communication by filling out the Grievance Form provided by the Project Communications and Engagement Staff. The form will also be made available at the Project Information Centre, and other disclosure venues identified in the EIS consultation. Step1: Receive and Acknowledge Grievance

The Project Communications and Engagement Staff will assign a **unique grievance** number to each grievance for easy tracking. Grievances for highly sensitive cases, and as requested by complainants, will be filed anonymously, which is essential for capturing any grievances that may arise in relation to gender-based violence and harassment (GBVH) and sexual exploitation and abuse (SEA).

The Project Communications and Engagement Staff will provide the complainant with a verbal acknowledgement of the receipt of the complaint within 3 working days (phone call, text message, or a meeting) and a written acknowledgement within 7 days (email, letter). The acknowledgement will include the grievance number so the complainant can use as reference to track the status of their complaint. If the grievance is not well understood or if additional information is required, clarification should be sought from the complainant during this step.

Step 2: Assess Grievance and Assign Priority and Responsibility

Grievance is screened and assessed within 7 days of receipt by Project Communications and Engagement Staff as follows:

- If it is decided that a grievance is not valid, the grievance will be dismissed and advice of the decision and the reasons for dismissal will be provided to the complainant in writing (and in person if required). Where applicable, the Project will refer the complainant to a government department, organisations, or judicial committee within the local government.
- If the grievance is valid, it will be classified into one of the following categories

Level 1 Complaint: A complaint where potential impacts and/ or consequences are low that can be resolved quickly (e.g. a Project vehicle damaging a household's fence)

Level 2 Complaint: A complaint which is widespread and repeated (e.g. dust from Project vehicles)

Level 3 Complaint: A complaint that could potentially result in a serious breach of National laws and regulations or affect Government and Project image and performance (e.g. inadequate waste management).

Management will be notified of all grievances, and the General Manager is notified of all Level 3 grievances.

- Project Communications and Engagement Staff will initiate resolution for Level 1 complaints where potential impacts and consequences are relatively low (e.g. construction truck damages local villager's fence).
- Management will initiate resolution of all complaints at levels 2 and 3 and level 1 complaints that can have significant implications to the business image or performance.
- For any grievance that requires the involvement of a third party (e.g. technical expert, authority), Project Communications and Engagement Staff are responsible for contacting the relevant third party for their advice or resolution.

Step 3: Investigate and Propose Resolution (within 14 days)

Responsible Project Communications and Engagement Staff or Manager will investigate the grievance and propose resolution as soon as possible but no later than 14 days after screening and assessing the grievance. The responsible Project Communications and Engagement Staff or Manager shall seek input from relevant municipality / district officials, as well as Project personnel and Construction Contractors, as necessary.

The responsible Project E&S management team or Manager will discuss the outcomes of the investigation, and proposed resolution with the complainant. The response can be communicated in several ways depending on the complainant's preference (e.g. face-to-face, email, letter, phone call, etc.).

The Project E&S management team or Manager will ask complainant for written acceptance of the resolution (or verbal if the complainant has difficult reading/ writing).

- For grievances assessed as a 'level 1', Project E&S management team will contact the complainant directly to develop and solutions with oversight from the Manager
- For a grievance is assessed as a 'level 2,' the Manager will be responsible for identifying a coordinated management solution and response. This should involve other senior managers and sign off from the General Manager.

- For a grievance assessed as a 'level 3,' immediate intervention of related parties such as senior managers, contractor/s, and/or local authorities to seek their advice on potential resolutions.

The response is signed-off by the General Manager for level 3 grievances and the Manager for Level 2 and Level 1.

Step 4: If the Complainant does not accept the Proposed Resolution

If the complainant does not accept the proposed solution the responsible Project Communications and Engagement Staff or Manager shall refer to the Project Grievance Committee to facilitate an agreeable resolution (Level 2 of the Grievance Resolution System). And finally, as the last resort, they can appeal at District Court (Level 4).

Step 5: Implement the Solution

For relatively simple, short-term actions that can resolve the problem, the objective will be for the solution to be implemented within 20 days after assessing the grievance.

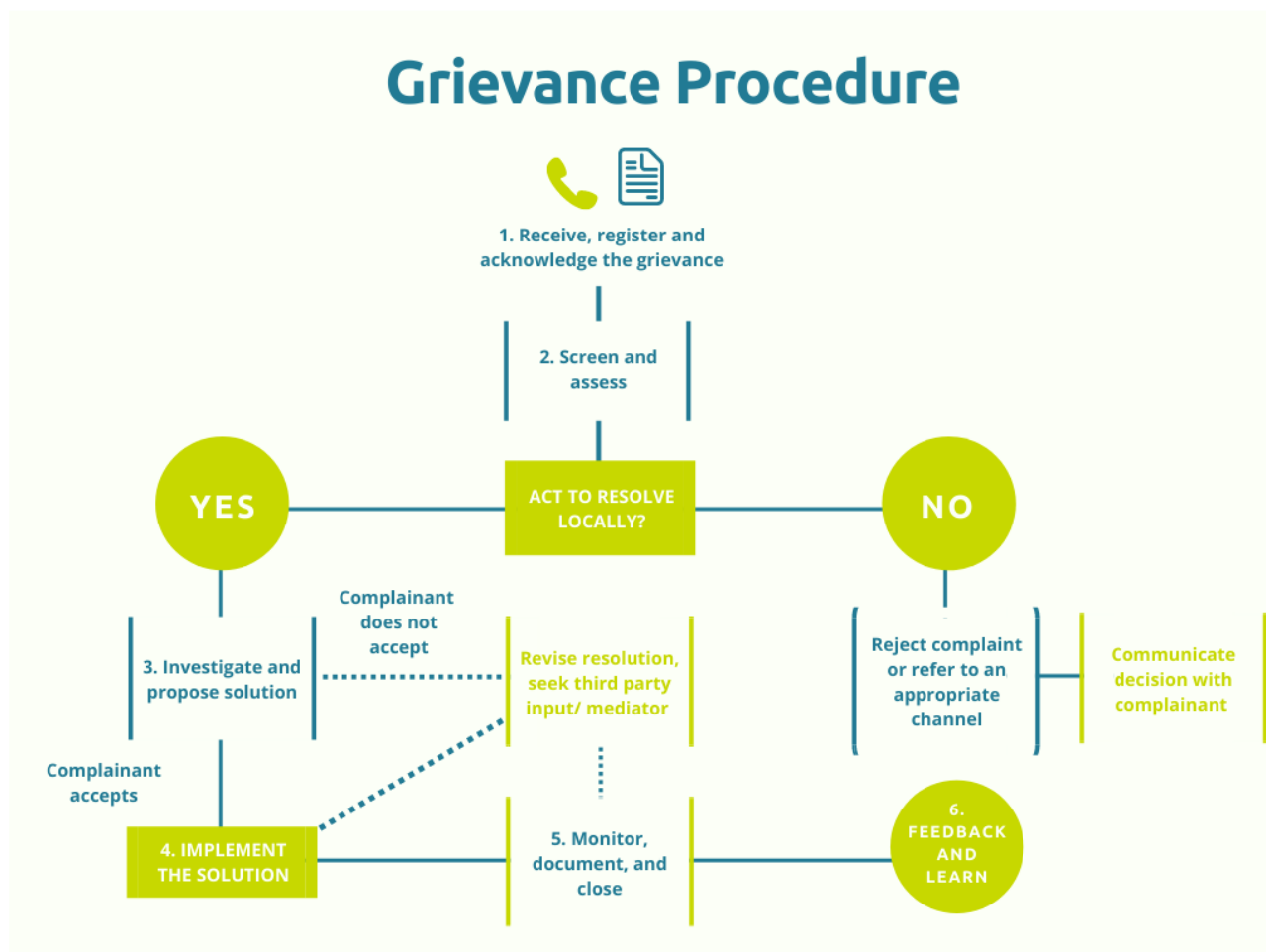
For solutions that take longer to address, or for which the complainants are not satisfied, or additional corrective actions are required, the Project Communications and Engagement Staff will inform the complainants of the progress on a regular basis until the solution is completely implemented.

Inform the complainant once the resolution is implemented. The responsible Project Communications and Engagement Staff or Manager will inform the complainant that the corrective actions have been implemented and confirm that the complainant is satisfied with the resolution.

Step 6: Grievance Close Out and Documentation

Monitor, document the grievance resolution process and close the grievance with sign-off from the Manager with the Project Director approval to close out level 3 grievances. If further attention is required, the Project Communications and Engagement Staff or Manager should return to Step 2 to re-assess the grievance.

FIGURE 11-1 STEPS IN THE GRIEVANCE PROCEDURE



11.3 CURRENT STATUS OF GRIEVANCES

A grievance redress mechanism (GRM) was developed and disclosed to external project stakeholders, including PAPs during the LRF and LRP development process. Access to the grievance register was requested by the consultant. Two grievances were recorded in February 2025. One for accidental damage to Private Land near a Project Road, remedied by contractor in 2 days to the satisfaction of the PAP. No crop was impacted, and no compensation was paid, as reinstatement included levelling the soil. The second grievance was recorded by the Project pro-actively, not specifically raised by the PAP via the EGM and refers to the refusal of one of the PAPs impacted by the OHTL works to sign a compensation agreement.

The low number of grievances raised to date may be indicative of a potential lack of effectiveness in the grievance mechanism, a possibility the Project fully acknowledges. Recognizing the importance of trust and active participation, the Project commits to strengthening its engagement efforts and continuously working on building and maintaining strong relationships with local communities. These ongoing efforts aim to increase awareness of and trust in the grievance mechanism, ensuring it is accessible, transparent, and trusted by all stakeholders.

11.4 GRIEVANCE COMMUNICATION CHANNELS

As above-mentioned there are various channels for submission of grievances, including verbal submission to Project staff (CLO, EPC staff etc.) and written via dedicated grievance boxes.

Mr. Petrica Bodnar is the dedicated CLO for the project and acts as primary grievance officer. He can be reached via the following contact information:

The dedicated CLO and Grievance Officer for the Project is Mr. Petrica Bodnar.

- Telephone: +4(0) 752 243 522
- Email: vifor@rezolv.energy

12. IMPLEMENTATION OF THE LRP

The following chapter provides detailed information on the implementation of the LRP.

12.1 NEGOTIATION OF COMPENSATION PACKAGES

The below chapters explain the key steps in the negotiation process of compensation packages moving from broader community engagement to individual negotiations and sign-off.

12.1.1 LRP DISCLOSURE AND BROADER COMMUNITY ENGAGEMENTS ON ENTITLEMENTS

The LRP will be shared with the affected communities, outlining the broad entitlements and the types of compensation available to PAPs. This could include monetary compensation, land replacement, or support for livelihood restoration activities. The broad entitlements will be presented in accessible language and formats, such as community meetings, written documents, and visual aids, to ensure that all individuals, including vulnerable groups such as women and the elderly, fully understand the provisions.

After the disclosure, feedback will be collected from the communities regarding the proposed entitlements. This feedback is critical in identifying any concerns, clarifications, or suggestions that may arise from the PAPs. These insights will be reviewed and, where necessary, incorporated into the LRP to make adjustments and ensure the proposed measures are relevant and fair. The incorporation of feedback demonstrates the Project's commitment to a participatory approach, ensuring that the LRP is not only transparent but also aligned with the specific needs and expectations of the affected individuals and communities.

12.1.2 HOUSEHOLD LEVEL ENGAGEMENTS AND NEGOTIATIONS

Following the disclosure and incorporation of feedback, the process will move to individual household-level engagements. These one-on-one interactions are essential for negotiating and agreeing on the exact compensation packages for each PAH. At this stage, the compensation will be tailored to the specific losses and needs of each household, considering factors such as land size, the impact on livelihoods, and the household's unique circumstances. This personalized approach ensures that compensation is fair and reflective of each household's situation. The process will involve detailed discussions, where PAHs can ask questions, seek clarification, and propose adjustments. Once both parties agree on the terms, a formal compensation agreement will be signed by the PAH, outlining the specifics of the compensation package. Each PAH will be provided a copy of the signed agreement. Another copy will be kept by the Project and will later serve for monitoring purposes. This approach ensures that all affected individuals, especially women and vulnerable groups, are involved in the decision-making process, promoting equity and inclusivity.

12.1.3 SIGN-OFF

Individual sign-off is a crucial step in finalizing the compensation and livelihood restoration process. Once the compensation package has been negotiated and agreed upon during household-level engagements, each PAH will be required to sign a formal compensation agreement. This sign-off serves as official confirmation that the PAH accepts the terms and provisions of the compensation package. The signed agreement will detail the specific compensation, including the type of support, payment schedules, or land reallocation, as well as

any additional terms. To ensure inclusivity, both male and female household representatives, where applicable, will be encouraged to sign the agreement, ensuring that both parties within the household are equally informed and involved in the decision-making process. This formal sign-off not only provides legal validation to the compensation process but also promotes accountability and transparency by documenting the agreed terms for future reference. Additionally, the agreements should be signed in the presence of a witness, such as the local mayor or head of the commune council, to further verify the legitimacy of the process and ensure the fairness of the negotiations. The presence of a local authority during the sign-off helps to reinforce the transparency of the process and fosters community trust in the compensation measures.

12.1.4 VULNERABILITY CONSIDERATIONS

In order to ensure that vulnerable individuals are fully supported throughout the compensation disclosure and negotiation process, additional measures should be considered to address their specific needs. For example, providing more time for vulnerable persons to discuss, negotiate, and agree on entitlements can help ensure they have a clear understanding of the process and are not rushed into decisions. If feasible and requested by the individual, a trusted person should be permitted to advise and support them throughout the broader engagement process, with particular emphasis on the individual negotiation process.

It is also important to offer alternative ways to present information, such as using visual aids or verbal explanations, especially if literacy is an issue. The agreements should be written in clear and simple language, avoiding technical terms or complex legal jargon. The provisions should be straightforward and easy to understand, ensuring that all individuals, regardless of their background or expertise, can fully comprehend the terms and conditions without confusion.

Additionally, consideration should be given to the physical accessibility of meeting locations, ensuring that individuals with disabilities can attend and participate without barriers. In special cases, the Project should make efforts to accommodate vulnerable groups by offering additional support, such as conducting home visits or arranging transport to meeting locations, in case vulnerability should impact also their mobility.

12.2 DELIVERY OF ENTITLEMENTS

Following the sign-off of compensation agreements, the Project will organize and deliver the agreed entitlements to PAH in a timely and efficient manner. The Project will implement a robust system to closely document the delivery of all entitlements. This includes monetary compensation, in-kind compensation such as fertilizers or seeds, and participation in training programs and other livelihood restoration activities. Comprehensive documentation will ensure accountability, transparency, and effective monitoring of the LRP implementation process.

For in-kind entitlements, such as materials or supplies, PAH will be required to sign a standardized acknowledgment form upon receipt. Similarly, participation in training sessions will be documented through attendance records and signed confirmation forms.

For monetary compensation, bank transfer records will serve as official documentation. Once the entitlements are transferred to the PAH they will be asked to sign official documentation confirming the full receipt of their entitlements. This formal acknowledgment ensures that both the PAH and the Project have a clear record of the transaction. It is important to ensure that

copies of these signed agreements are retained by both the Project and the signing party. To further validate the process, the agreements should again be signed in the presence of a witness, such as the local mayor or head of the commune council. These records will be securely maintained by the Project and made available upon request, for example, to auditors, lenders, or other relevant stakeholders. This practice ensures financial transparency and provides a reliable audit trail for all monetary transactions associated with the LRP.

By ensuring timely delivery, thorough documentation, and adherence to rigorous record-keeping standards, the Project aims to uphold its commitment to equitable, transparent, and accountable implementation of the LRP.

12.3 LRP IMPLEMENTATION ACTION ITEMS

Table 12-1 below compiles all action items required for the implementation of the LRP as outlined in this document. This checklist serves as a tool for the Project to systematically track progress toward achieving the objectives of the LRP.

TABLE 12-1 LRP ACTION ITEMS

Topic	Action Item	Date/Timeline
Disclosure & Engagement	LRP Disclosure on Lender's & Company's Website	Upon Lender's LRP Approval
	LRP Disclosure Meetings in Communes, with a particular focus on presenting and gathering feedback on the broad entitlements proposed in the LRP	Upon LRP Disclosure
	LRP Update (as necessary)	After broader community engagement meetings
	Engagement with local stakeholders to develop and reassign APIA plots	March – April 2025, on yearly basis during construction
Identification and survey of remaining PAP	Further engagement with the Communes will confirm if additional PAPs are using the land or if the initially identified sheep farmers are the current users of all the identified APIA blocks.	February – June, on yearly basis during construction

Topic	Action Item	Date/Timeline
	Collection of rapid socio-economic census data of identified households with focus on data relevant to identify vulnerabilities	February – June, on yearly basis during construction
Identification of OHTL Land Owners	FLS will engage with the 2 known PAPs using the land along the OHTL to identify the underlying landowners for engagement and project information disclosure including information on restrictions applicable during the Operations phase and the associated compensation process.	May – on-going during the construction phase (before operations when the land use restrictions will apply).
Documentation	PAH Register Development	February – June, on yearly basis during construction
Compensation and Mitigation Measures	Finalization of LRP Implementation Approach	ASAP
	Individual engagements on compensation packages & sign off, verification of vulnerability criteria of households	On-going Upon LRP Disclosure, During construction
	Development of final entitlements list	Upon sign-off of compensation packages
	Delivery of entitlements & sign off	Upon sign-off of compensation packages
	Implementation of relocation assistance of assets	Upon sign-off of relocation agreements

Topic	Action Item	Date/Timeline
	Development of Additional Support Measures (if needed)	Upon request, based on M&E or audit findings
Stakeholder Engagement & Grievance Management	Monitor grievances related to LRP	Ongoing
	Resolve grievances related to LRP	Ongoing
	Documentation of LRP-related grievances	Ongoing
	Organizing Engagement Sessions with Affected Communities	Throughout Project lifecycle
	Ongoing Engagement with PAPs to confirm receipt, gather feedback on satisfaction and any issues / concerns.	During delivery of entitlements and upon completion of delivery
Monitoring & Evaluation	Monitor LRP Implementation internally	Upon Commencement of LRP Implementation, ongoing until completion
	Regular LRP Implementation Audits externally	Quarterly
	Monitoring Vulnerable PAH	Ongoing for duration of LRP implementation
	Monitoring Training Participation	Throughout training implementation
	Evaluation of LRP Shortcoming's internally and externally	Ongoing throughout LRP Implementation
	LRP Close-Out Audit	At end of LRP implementation to confirm process is complete
	Lesson's Learned	Following LRP close-out audit

12.4 LRP PROGRAM IMPLEMENTATION PROCESS

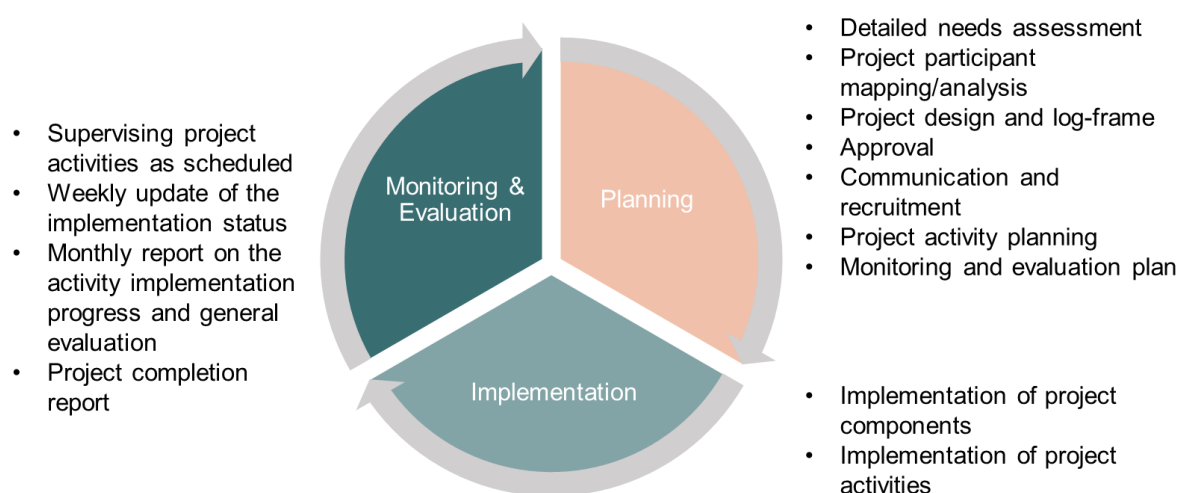
During the last quarter of every calendar year, the Project Owner will undertake a participatory approach to prepare an annual implementation plan with budget and timelines which will be finalised and implemented at the beginning of the next calendar year.

Based on the approved annual implementation plan, implementation process should include general and project-specific steps. The implementation often starts with the following general steps:

- Project Livelihood Restoration Team Refreshment training
- Provide trainings for Community Relation Liaison to support team in field
- Develop and get approval for detailed planning and budget for the first year of LRP implementation (and subsequent years thereafter), and
- Disclose the annual LRP action plan to relevant stakeholders.

Project-specific phase often consists of the planning, implementation and evaluation and monitoring steps throughout the project's lifecycle (see Figure 12-1).

FIGURE 12-1 MAIN STEPS OF PROJECT IMPLEMENTATION AND MANAGEMENT



12.5 LRP PROGRAM IMPLEMENTATION APPROACHES

Selection of suitable partners will be an important part of LRP implementation. The following proposed implementation approaches may be considered:

- **In-house implementation:** the Project Owner creates an internal department or unit to work directly with communities to design and implement LRP programs and projects.
- **Third-party implementation:** the Project Owner engages a third party, such as a local or international NGO, to work with local communities in designing and implementing LRP programs and projects, or it supports an existing initiative being implemented by others.
- **Multi-stakeholder partnership:** the Project Owner establishes or joins a voluntary or collaborative alliance, network, or partnership. This implies cooperation between two or more actors in a manner that shares risks, responsibilities, resources, and competencies, and involves a joint commitment to common tasks and goals.

- Hybrid approach: the Project Owner utilises a combination of two or more implementation models to deliver various components of its LRP program.

The Project will use a Hybrid approach, combining the in-house resources with a multi-stakeholder partnership with the Communes and PAPs and APIA representatives and third-party implementation support. More details are provided in the next chapter. During implementation of the LRP programs, the Project's personnel will carry out periodical field visits to monitor implementation of income restoration activities and provide timely assistance in case any issues or difficulties are encountered. To increase their accessibility and ensure they can provide timely assistance, the Project's personnel will also provide the working telephone number of their technical staff to participating affected households and note down all issues faced by affected households so that these can be discussed with additional households in the refresher trainings.

12.6 SCHEDULE

Table 12-2 **Error! Reference source not found.** below presents a preliminary Project schedule for the implementation of the LRP, indicating relevant tasks, responsible parties, and corresponding timelines. Project milestones are also indicated in the below table.

TABLE 12-2 PRELIMINARY IMPLEMENTATION SCHEDULE

No.	Item	Resp. Party	Jul 24	Aug 24	Sept 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	Jun 26	Jul 26	Aug 26	Sep 26	Oct 26
1	Project Construction																											
1.1	Land access and mobilization on site (Phase I)	EPC Contractor																										
1.2	Reinforcement of foundations	EPC Contractor																										
1.3	Relocation assistance of impacted assets (fences, sheds, barns etc.)	EPC Contractor																										
1.4	Delivery and construction/ assembly of turbine equipment	EPC Contractor																										
1.5	Construction/ assembly of electrical systems	EPC Contractor																										
1.6	Finalization of construction	EPC Contractor																										
1.7	End of construction activities - Wind Farm Operational	EPC Contractor																										
2	Development of the Livelihood Restoration Framework and Plan																											
2.1	Development of the LRF	Consultant/Project																										
2.2	Preliminary Engagement	Project																										
2.3	Cut-off (Public Announcement)	Project																										
2.4	Stakeholder Engagement Activities	Project/ Consultant																										
2.5	Census, socioeconomic surveys (including outstanding PAPs)	Project																										
	PAH Register Development																											
2.6	Asset inventory and valuations	Certified Valuer																										
2.7	Handover asset inventory sheets and valuation report	Certified Valuer/ Consultant																										
2.8	Grievance redress	Project																										
2.9	Individual Consultations on Suggested Compensation & Restoration Measures	Project/ Communities / Affected People																										
2.10	Negotiation entitlements & signoff	Project/ Communities Affected																										
2.11	Signing of compensation agreements	Project																										
2.12	Final identification vulnerable PAP	Project, Consultant																										

No.	Item	Resp. Party	Jul 24	Aug 24	Sept 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	Jun 26	Jul 26	Aug 26	Sep 26	Oct 26
2.13	Establishment of final entitlement list	Project, Consultant																										
2.15	Development of LRP	Consultant																										
3	Cash compensation for land, crops, lost subsidies, penalties																											
3.1	Payment of initial cash compensation (for damaged crops as per Accidental Damage Procedure)	Project																										
3.2	Payment of further instalments (if applicable, e.g. Disturbance Allowances)	Project																										
3.3	Payment of any penalties caused by the Project (if applicable)	Project																										
4	Stakeholder Engagement, Consultation and Disclosure and Community Grievance Management																											
4.1	Project Information Sharing	Project																										
4.2	LRF Disclosure	Project																										
4.3	Stakeholder Engagement Activities	Consultant/ Project																										
4.4	Engagements during reassigning APIA land plots																											
4.5	LRP Disclosure (online and during community engagement sessions)	Project																										
4.6	Monitoring Engagement	Project																										
4.7	Grievance management	Grievance Committee																										
5	Implementation Livelihood Restoration Program																											
5.1	Reassigning Land Plots for 2025	Project																										
5.2	Consultation and negotiations around reassigning 2025 APIA plots	Project																										
5.3	Reinstatement of temporary used land areas	Project, District Office																										
5.4	Feasibility study for alternative agricultural methods	Consultant																										
5.6	Recruitment of NGO to livelihood restoration/support programs (e.g. training to efficient use of fertilizers)	Project																										
5.7	Disbursement of seeds, fertilizers and fodder etc.	Implementation Partner																										
5.8	Training Implementation	Implementation Partner																										
6	Monitoring, Reporting and Evaluation																											
6.1	Internal monitoring reports	Project																										

No.	Item	Resp. Party	Jul 24	Aug 24	Sept 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25	Jan 26	Feb 26	Mar 26	Apr 26	Jun 26	Jul 26	Aug 26	Sep 26	Oct 26
6.2	Periodic compliance reviews	External party										❖					❖						❖					
6.3	Monitoring surveys (incl. Vulnerability Monitoring)	Consultant																										
6.4	Completion audit (1-3 years after LRP implementation)	External party																										
7	Operation & Decommissioning																											
7.1	Operation	Project	Up to 35 years																									
7.1	Decommissioning	EPC Contractor	Approximately 4-6 months																									

The implementation schedule is subject to change based on the construction schedule. Adjustments will be made accordingly as updated construction timelines become available.

13. RESOURCE ARRANGEMENTS

This chapter includes information regarding the LRP implementation roles and responsibilities and budget.

13.1 ROLES AND RESPONSIBILITIES

Clear organizational responsibilities are crucial for the success of livelihood restoration projects as they ensure effective coordination, transparency, and accountability. Defined roles prevent confusion, streamline decision-making, and provide a structured workflow, particularly important in projects involving multiple stakeholders. The below table summarizes known roles and responsibilities in according to Romanian legislation and international best practice regarding land acquisition and resettlement, as well as other roles that are typically assigned for land acquisition and resettlement projects.

TABLE 13-1 KEY STAKEHOLDERS IN ROMANIA AND THEIR ROLE AND RESPONSABILITIES IN LAND ACQUISITION AND RESETTLEMENT PROJECTS

Key stakeholders	Role	Responsibilities
Local public administration authorities (county and local councils)	Implement national policies at the regional and local levels	<ul style="list-style-type: none"> • Issue necessary permits and approvals • Organize public consultations with affected communities • Receive grievances and disputes • Coordinate with project developers to ensure compliance with local regulations
Communal Authorities (Mayors)	Contact point for local communities	<ul style="list-style-type: none"> • Coordination with the Project and APIA to allocate land plots that remain unaffected by Project components in the coming years. • Assistance in identifying PAPs to ensure accurate record-keeping and support. • Facilitation of engagements with PAHs, helping to ensure clear communication and transparency throughout the process. • Support in the planning and implementation of land allocation strategies that minimize disruption and meet regulatory requirements. • Receipt of grievances and communication to the Project • Acting as a witness during the signing of the agreements to verify the legitimacy of the process and ensure fairness of the negotiations.
APIA	Contact point for farmers and communes	<ul style="list-style-type: none"> • Manages land plots subsidies allocations • Collaboration with the Project to reallocate new land plots every year that won't be impacted by Project components for the 2205 and ongoing periods • Help facilitate the identification of impacted people based on impacted APIA land plots • Monitoring and documentation of the reallocation process, ensuring that all allocated plots are properly documented and that PAPs receive appropriate titles or land use rights.

Key stakeholders	Role	Responsibilities
		<ul style="list-style-type: none"> • Informs the Project about any penalties occurred during the 2024 period (if applicable).
Project Developer	Project Director, Mr. Trișcă	<ul style="list-style-type: none"> • Approval of overall LRP measures, budget and planning
Project Livelihood Restoration Team	Project Manager - Project Livelihood Restoration Manager – Ms. Timu	<ul style="list-style-type: none"> • Planning and Assessment • Program design and implementation • Monitoring and evaluation • Community engagement • Project Management • Link between team members • Coordination and support in all land acquisition and livelihood restoration measures • Point of contact for external parties, e.g. lenders or consultant
	Project Sustainability & Communications Manager – Ms. Atanassova	<ul style="list-style-type: none"> • Responsible for LRP communication, including public disclosure of LRP
	Community Liaison Officer (CLO)/Grievance Officer – Mr. Bodnar	<ul style="list-style-type: none"> • Facilitates communication between the affected households and local communities and the Project • Supports in the coordination and implementation of planned LRP activities • Contact point for the affected households and other members of local communities • Provides relevant information to the LRP consultant • Grievance Management

Key stakeholders	Role	Responsibilities
Engineering-Procurement-Construction (EPC) Contractor (Vestas for Phase 1)	<ul style="list-style-type: none"> Project Construction 	<ul style="list-style-type: none"> Preliminary engagement with impacted people Land clearing and project development Workforce management Payment of compensation for accidental damages in line with the provisions of the LRP and assisting with the resolution of grievances of relevance to the LRP as required by the Project's CLO
Livelihood Restoration Consultant (ERM)	Develop the Project LRP	<ul style="list-style-type: none"> Development of LRP Conducting stakeholder engagement activities for LRP development Census and Socio-Economic Survey Implementation
ANEVAR (National Valuation Expert)	Valuation of Lands & Assets	<ul style="list-style-type: none"> Valuation Report of Impacted Lands and Assets (where needed)
Local Partners (to be continued) ²³ <ul style="list-style-type: none"> Institute for Grassland Development, Braşov <u>Fundația Euro-Academia</u> Agricultural land livestock specialists 	Support with the implementation of LRP measures	<ul style="list-style-type: none"> Assistance with development of suitable LRP measures Support implementation of developed measures

Key stakeholders	Role	Responsibilities
LRP Auditor	Monitors compliances with provisions of the LRP	<ul style="list-style-type: none"> • Conducts final LRP close-out audit • Flags open issues • Confirms LRP implementation
Project Affected People	Primary Project Stakeholders	<ul style="list-style-type: none"> • Active participation in consultation activities and communicating with the client – that is, through the grievance mechanism, public meetings and so on – to provide feedback on the solutions that are being proposed to them • Selection of representatives (where necessary) who can engage more actively in communication with the client and consultants • An active approach towards opportunities being offered through the livelihood restoration program such as training, employment, access to personal documents etc.
EBRD/IFC	Lenders	<ul style="list-style-type: none"> • Provision of guidance and support to its clients and projects • Review of livelihood restoration documentation and approval of plans • Monitoring of projects' compliance with PR5 / PS5 land take

13.2 BUDGET

For effective planning and implementation, the LRP must provide a comprehensive budget encompassing all expenses related to livelihood restoration and improvement. This budget, should be detailed to reflect annual expenditures for each item throughout the entire period from the initiation of LRF to the completion of the LRP audit. This detailed breakdown is essential for monitoring inputs. The budget should itemize all costs, ensuring transparency and accountability in the process.

Table 12-2 below presents a budget estimate for the LRP Implementation. Please note that certain cost items are not yet available, as they will be determined following identification of all PAPs and engagement on suitable LRP measures and agreement of entitlements or once lost crops/ subsidies can be assessed and compensated. Those cost items will be updated by the Project developer once this information becomes available.

TABLE 13-2 LRP BUDGET ESTIMATE

Item Number	Expenditure	Rationale	Quantity	Total Cost (RON)	Total Cost (EUR)
1.0	COMPENSATION & MITIGATION				
1.1	Animal Feed & Water Supply	Severely Impacted HHs (over 30%)	TBD	24,950	5,000
1.2	Compensation for Accidental Crop & Structure Damage	As per Procedure (Annex H)	TBD	TBD	TBD
1.3	Compensation for Lost Crops	2 PAPs affected by OHL pylons & approx. Number of PAP in access road RoW to be determined (minor impacts)	TBD	TBD by valuation expert	TBD by valuation expert
1.4	Costs for Land Restoration	100 EUR / ha	370 ha	184,630	37,000
1.5	Seeds & Fertilizers	40% of all PAH	380 packages	99,800	20,000

Item Number	Expenditure	Rationale	Quantity	Total Cost (RON)	Total Cost (EUR)
1.6	Lost Subsidies, Penalties (if applicable)	Full amount of any incurred subsidy losses/penalties	200-250 EUR/ha	TBD	TBD
SUBTOTAL 1					62,000
2.0	ADDITIONAL FINANCIAL ASSISTANCE				
2.1	Transport Costs for Relocation of Barns/Sheds if necessary	Average cost to hire a vehicle and driver for the transport of moveable assets	5 transport days (1 per commune)	24,950	5,000
2.2	Disturbance Allowance if necessary/applicable	Based on socioeconomic survey results	# HHs	49,900	10,000
2.3	Vulnerability Support	# of Vulnerable PAH	# HHs	49,900	10,000
SUBTOTAL 2					25,000
3.0	TRAININGS				
3.1	Agricultural Training Program	# HH impacted over 30%	# HHs	98,800	20,000
3.2	Other Training Programs	TBD	# HHs	98,800	20,000
SUBTOTAL 3					40,000
4.0	LRP IMPLEMENTATION				
4.1	Valuation Expert	Salary per contract terms	Duration of contract	24,950	5,000
4.2	Disclosure Engagements	One engagement session per commune	5	4,990	1,000

Item Number	Expenditure	Rationale	Quantity	Total Cost (RON)	Total Cost (EUR)
4.3	LRP Implementing Agency	Salary per contract terms	Duration of contract		TBD
4.4	International LRP Advisor	Salary per contract terms	Duration of contract		TBD
4.5	LRP Auditor	Salary per contract terms	Duration of contract	49,900	10,000
SUBTOTAL 4					16,000
TOTAL					143,000
5.0	CONTINGENCY @ 10% of Total	% of total		71,357	14,300
GRAND TOTAL (estimated)					157,300 EUR

Source: ERM, 2025.

14. MONITORING, REPORTING AND EVALUATION

Within the context of livelihood restoration, monitoring, reporting, and evaluation (MRE) entails the systematic assessment of ongoing activities and their outcomes at regular intervals, such as weekly, monthly, quarterly, or annually. This process provides project management and affected individuals with timely updates on the delivery of compensations, livelihood restoration activities, and other measures as committed in the LRF and final LRP. MRE evaluates the achievement of key outcomes, identifies areas needing adjustments, and proposes corrective actions. Typically, both internal monitoring by the project land acquisition and/or livelihood restoration team and external monitoring by independent parties are conducted.

Additionally, the implementation of Monitoring and Evaluation (M&E) procedures is crucial for assessing the effectiveness of the Project GRM and ensuring the efficient use of resources. Through regular reporting, trends and recurring issues are proactively identified and addressed before they escalate into significant points of contention. M&E also provides a foundational level of information that can be used for reporting back to communities, fostering transparency and accountability.

14.1 INTERNAL MONITORING

Internal monitoring concentrates on appraising livelihood restoration progress and performance, serving as an essential tool for implementation and risk management. Aligned with the applicable international standards, especially IFC PS1 and EBRD PR10, it facilitates progress checks, identification of delays, assessment of costs and efficiency, and detection of errors. This internal oversight not only offers opportunities for correction and enhancement but also contributes to internal accountability and external transparency with stakeholders.

14.1.1 MONITORING INDICATORS

Routine internal monitoring involves the ongoing assessment of a predetermined set of indicators, which should be identified during the planning phase and incorporated into the final LRP. Examples of these indicators are outlined in Table 14-1 below. It is important to note that monitoring indicators are context- and project-specific, requiring customization based on the nature and extent of displacement. Several of these indicators can serve as Key Performance Indicators (KPIs) for both project management and external stakeholders.

TABLE 14-1 MONITORING INDICATORS

#	Indicator	Measurement	Frequency	KPI
1	Overall spending on livelihood restoration activities	Financial records	Quarterly	Percentage of budget utilized vs. allocated budget
2	Distribution of spending on relevant items, such as: Planning and surveys Cash compensation or in-kind compensation Livelihood restoration	Financial records Budget as per preliminary budget estimate/updated final budget versus actual spending	Quarterly	Percentage of expenditure per category vs. total budget allocation

#	Indicator	Measurement	Frequency	KPI
	Vulnerable groups General implementation services, including engagement and grievance management etc.			
3	Number of full-time and part-time staff and consultants (gender disaggregated) dedicated to livelihood-restoration activities	Human Resources	Quarterly	Staff-to-beneficiary ratio; Percentage of female staff vs. total staff
4	Number of affected households and/or people by categories and gender (particularly updated PAP)	Census, grievance management records	Quarterly	Number of PAPs recorded vs. estimated; Gender ratio of affected individuals
5	Number of affected landowners along the OHTL	Census, grievance management records	Quarterly	Number of PAPs seeking statutory compensation, number of PAPs successfully accessing compensation and FLS support
6	PAPs who face loss of subsidies or penalties	Land acquisition records	Annually	Percentage of PAPs affected vs. estimated
7	Reallocation of APIA plots (2025 onwards)	Land reallocation records	Annually	Percentage of PAPs receiving similar plots vs. those receiving smaller/larger plots; Percentage of PAPs opting out
8	Engagement Participation	Attendance records	Quarterly	Engagement rate (% of impacted land plots represented in SE activities); Participation rate of women and vulnerable groups
9	Monitoring and of disbursement compensation Packages	Compensation documentation	Annually	Percentage of compensation packages prepared, signed, and fully disbursed
10	Use of compensation	Household surveys and focus groups	Annually	Conduct yearly survey of compensated households and/ or yearly focus groups with selected layers of PAP. Check use of compensation, if possible document differences in

#	Indicator	Measurement	Frequency	KPI
				use among women and men..
11	Progress of the implementation of the livelihood restoration programs	Standardized progress reports	Quarterly, Annually	Conduct standardized progress reports that summarize activities completed, outcomes achieved, and any deviations from the annual plan. Develop KPIs that align with the objectives set in the annual plan. These could include: <ul style="list-style-type: none"> Number of beneficiaries reached Percent increase in household income Number of training sessions conducted
12	Benefits incurred	Economic Indicators: Measure changes in household income, employment rates Social Indicators: Evaluate new skill development. Sustainability Metrics: Evaluate the resilience of livelihoods and the sustainability of restored activities.	Annually	No Percentage change in household income; Employment rate change; Number of new skills acquired
13	Challenges	Monitoring reports, SE records	Quarterly	Number of challenges identified and mitigation strategies proposed
14	Satisfaction with livelihood restoration measures implemented	Post-implementation satisfaction survey	One year after implementation of LRP measures	Percentage of PAPs satisfied with restoration measures
15	Monitoring and identification of gender-specific challenges during LRP implementation	Targeted engagement sessions with women from affected households; Surveys and focus groups; Grievance records	Quarterly	Number of targeted engagements conducted; Percentage of female PAPs participating in engagement activities; Identification and documentation of gender-specific challenges and corresponding action adjustments
16	Vulnerability	SE records Training records Vulnerability indicators (e.g. household income) Compensation records	One year after implementation of LRP measures	Number of vulnerable HHs pre/post LRP; Participation rates of vulnerable HHs in SE activities and training; Subsidies received pre/post land acquisition

#	Indicator	Measurement	Frequency	KPI
				No. of vulnerable PAPs receiving additional support
17	Grievance Management	Grievance records	Quarterly	Percentage of grievances resolved; Average timeframe for resolution
18	Appointment of external monitoring consultant	Contract signed and consultant mobilized	One-time	Consultant appointed by target date
19	Appointment of close-out audit consultant	Contract signed and audit initiated	One-time	Consultant appointed before project closure
20	Completion of annual external monitoring review	Submission of annual monitoring report	Annually	Report submitted by target date
21	Completion of close-out audit	Submission of final audit report	One-time	Audit report finalized by [target date]

Source: ERM, 2025.

In order to measure these indicators, the Project should ensure:

- Minutes of meetings recorded
- Detailed documentation of financial and other records (e.g., related to compensation packages, compensation agreements, delivery of entitlements)
- Documentation of informal feedback from stakeholder
- Grievance register kept up to date
- Accessible dissemination and use of documentation
- Effectiveness of engagement planning, tools and execution
- Effectiveness of representation and participation in engagement, and
- Effectiveness of environmental and social feedback process incorporating community needs into project design.

The results of quarterly monitoring will be documented and communicated through structured internal monitoring reports. These reports will provide a comprehensive analysis of key performance indicators, compliance metrics, and any notable trends or deviations observed during the monitoring period. The reports will be compiled by the relevant teams and reviewed by management to ensure transparency and accountability. Additionally, the findings may be shared with stakeholders through internal meetings, dashboards, or presentations, enabling informed decision-making and timely corrective actions. Where necessary, summary reports may also be distributed to regulatory bodies or external partners to demonstrate adherence to compliance requirements and performance standards.

14.1.2 MONITORING VULNERABILITY

Monitoring vulnerability is crucial in livelihood restoration projects because it enables a proactive and targeted approach to addressing the needs of individuals and communities undergoing

economic displacement. By systematically tracking and assessing vulnerabilities, project managers can identify and prioritize assistance for those most at risk, such as marginalized groups or individuals with specific needs.

This ensures that livelihood restoration efforts are not only compliant with ethical standards but also contribute to sustainable development by safeguarding the well-being of the most vulnerable. Vulnerability can change throughout the Project lifecycle. Hence, a register with vulnerable groups should be kept and regularly updated, to inform adjustments to vulnerable support measures as necessary. When conducting both internal and external audits, responsible authorities should place special importance in assessing if implemented measures had and still have the desired effect on vulnerable groups.

The Project will pay special attention to monitoring individuals identified as potentially vulnerable during the socio-economic survey and confirmed to be vulnerable during LRP implementation thereafter, alongside additional vulnerable households (identified during LRP implementation through additional surveying and engagement). These individuals will be invited to special stakeholder engagement sessions, which the Project will continue to organize. During these sessions, they will be asked about their satisfaction with the implemented livelihood restoration measures, as well as any shortcomings and improvement ideas. Additionally, the Project will monitor to ensure that the number of subsidies received by these households prior to the Project remains at the same level, so they are not forced to increase productivity in terms of learning new skills, e.g. use of fertilizers on their lands, unless they explicitly wish to participate in such trainings.

14.2 EXTERNAL MONITORING

External monitoring mandated when external stakeholders require an independent assessment of compliance. Beyond demonstrating compliance to external entities, external monitoring plays a pivotal role in evaluating the efficacy of the livelihood restoration process, particularly in determining whether livelihoods have been improved or restored. This external oversight generally involves regular compliance reviews throughout the livelihood restoration planning and implementation period, delivering impartial advice to promptly recognize and address potential noncompliance. Additionally, it encompasses a completion audit to verify the fulfillment of commitments outlined in the LRP.

External, third-party audits should occur regularly, with a recommended frequency of at least once every year. Following a reasonable period for livelihood re-establishment, an external completion audit will be conducted as required by the international applicable standards.

Regularly conducted external M&E activities encompass, but are not limited to, the following:

- Reviewing internal monitoring procedures to confirm compliance with the LRP.
- Examining internal monitoring records to identify instances of non-compliance, recurring problems, or potentially disadvantaged groups or households.
- Scrutinizing grievance records for evidence of significant non-compliance or recurrent poor performance in livelihood restoration implementation.
- Conducting interviews with LRP staff, a sample of affected households, community leaders, and other key informants to gauge the effectiveness of livelihood restoration-related activities and the extent to which living standards and livelihoods are restored or enhanced.

- Assessing overall compliance with project, legislative, and international standards.
- Executing a completion audit involving a final outcome evaluation upon the conclusion of the final LRP implementation.

14.3 LRP COMPLETION AUDIT

A completion audit will be conducted by a qualified third party to verify that the LRP implementation met standards and restored or improved affected persons' livelihoods. The key objectives of the completion audit include:

- Assess the effectiveness of measures to avoid and minimize displacement impacts by comparing actual project impacts versus those documented in the LRP.
- Verify that all entitlement and commitments described in the LRP have been delivered.
- Determine whether LRP measures have been effective in restoring or enhancing affected persons' livelihood.
- Check on any significant grievances that may have been left outstanding.
- Identify any corrective actions necessary to achieve completion of LRP commitments.
- Verify the livelihood measures offered are successfully provided to those who are eligible.

Through its ongoing internal and external monitoring programs, the Project Owner will be able to determine when this goal is close to being achieved, e.g. the compensation has been paid, no ongoing cases of grievances left, the income level and livelihood conditions of the PAPs are restored to pre-displacement level, an independent party shall be commissioned to undertake final Completion Audit. The purpose of the Completion Audit is to certify whether the implementation of this LRP has been completed and succeeded in meeting the applicable standards and the objectives of this LRP. Hence, the completion audit will be conducted at the end of implementation of the LRP.

The completion audit is planned to be conducted one to three years after completion of Project construction.



APPENDIX A HOUSEHOLD SURVEY QUESTIONNAIRE



APPENDIX B FGD QUESTIONNAIRE



APPENDIX C LRP LEAFLET



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APPENDIX D

GUIDING QUESTIONS FOR ENGAGEMENT WITH KEY INFORMANTS



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APPENDIX E

SUPPORTING PROJECT PRESENTATION FOR TOWNHALL DISCUSSIONS



APPENDIX F APIA LAND PLOTS MAPPED



APPENDIX G PRIVATE LAND PLOTS MAPPED



APPENDIX H ACCIDENTAL DAMAGE PROCEDURE



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