

REPUBLIC OF MOLDOVA

MOLDOVA WATER SECURITY AND SANITATION PROJECT (P173076)

DRAFT RESETTLEMENT POLICY FRAMEWORK

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Glossary of Key Terms

Cut-off date Refers to a day on and beyond which any person who occupies land or assets on land, required for project use, will not be eligible for compensation. The date is often the day when the assessment of persons and their property in the project area commences.

Compensation means payment in cash or in kind of the replacement cost of the acquired property and/or impacted assets.

Entitlements with respect to a particular eligibility category are the compensation and other forms of assistance provided to impacted persons in the respective eligibility.

Grievance procedure The processes established under law, local regulations, or administrative decision to enable property owners and other impacted persons to redress issues related to acquisition, compensation, or other aspects of resettlement

Involuntary land acquisition means the process whereby a person is compelled by government or a government agency to alienate all or part of the land he/she owns or possesses, to the ownership and possession of the agency, for public purpose in return for a consideration

Land acquisition means the taking of or alienation of land, buildings or other assets thereon for the purpose of the project

Project affected person (PAP): a person who loses assets and/or usage rights and/or income generation capacities (e.g. land, structure, crops, businesses) because these assets/rights/capacities are located in the land to be acquired or used, for needs of the project.

Relocation means the physical moving of PAPs from their pre-project place of residence, place of work or business premises.

Replacement cost means the amount that will be paid to replace the value for the land and all assets on it, without any deductions for depreciation. The replacement cost shall be calculated pursuant to approach described in the ESS5.

Resettlement Policy Framework (RPF) refers to the present safeguard instrument (document) which is the overall Policy Framework for Compensation, Resettlement and Rehabilitation of PAP for the project implementation or livelihood restoration. The Policy Framework describes the process and methods for carrying out resettlement under the project, including compensation, relocation and livelihood restoration of Project Affected Persons.

Resettlement Action Plan (RAP) is a document to follow, at a minimum, the applicable requirements of ESS5 regardless of the number of people affected. This will include compensation at full replacement cost for land and other assets lost. The RAP is designed to mitigate the negative impacts of displacement; identify development opportunities; develop a resettlement budget and schedule; and establish the entitlements of all categories of affected persons (including host communities). Particular attention will be paid to the needs of the poor and the vulnerable.

Resettlement means all the measures taken to mitigate any and all adverse impacts for the Project on PAPs property and/or livelihoods, including compensation, relocation (where relevant), and rehabilitation.

Vulnerable or at-risk groups include people who, by gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may be more adversely affected by displacement than others and who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits. Vulnerable groups in the context of displacement also include people living below the poverty line, the landless, the elderly, women and children-headed households, ethnic minorities, natural resource-dependent communities, or other displaced persons who may not be protected through national land compensation or land titling legislation.

Abbreviations

ARFC	Cadaster and Land Relations Agency
ASP	Public Services Agency
EMA	External Monitoring Agency
ESIA	Environmental and Social Impact Assessment
GoM	Government of the Republic of Moldova
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
IPOP	Institute for Land Use Planning
MoARDE	Ministry of Agriculture, Regional development and Environment
MEI	Ministry of Economy and Infrastructure
EPIU	Environment Projects Implementation Unit
MDL	Moldova Lei
MoF	Ministry of Finance
NGO	Non-governmental organization
NLP	National Land Program
NBS	National Bureau of Statistics
PAP (AP)	Project-affected person
PIU	Projects Implementation Unit
PSA	Poverty and Social Assessment
RAP	Resettlement Action Plan
RDA	Reginal Development Agency
RPF	Resettlement Policy Framework

1. DESCRIPTION OF THE PROJECT AND COMPONENTS

Despite many years of solid economic growth and impressive poverty reduction gains, Moldova remains vulnerable to economic and financial shocks and political instability. Moldova remains amongst the poorest countries in Europe, while citizens' aspirations are rising in line with living conditions and income levels of middle and higher-income European neighbors. Emigration of the working-age population and an annual population decline of around 1.5 percent add to the country's economic, fiscal, and social fragility. Based on existing trends, Moldova may lose a fifth of its current population by 2050. There are considerable downside risks for sustainable growth in Moldova. These risks relate to a fragile fiscal situation, including inefficient public spending, a large state footprint in the economy, and stem from unresolved institutional and governance challenges.

Moldova has substantial water resource endowments, receiving large surface water inflows from its two large transboundary rivers, the Dniester and Prut. However, Moldova's main rivers are characterized by a high degree of human alteration, including canalization and embankments which limit natural floodplains, thousands of small reservoirs, combined with degradation of its watersheds. Currently only 5 percent of total renewable water resources are withdrawn on an annual basis. Water security underpins much of Moldova's ability to rekindle dynamism in its economy, to realize health and well-being outcomes for its people, and achieve environmental goals. Water security means that citizens - both urban and rural - can live productive lives, in a clean environment, using reliable water services, and with livelihoods that are resilient to droughts, pollution, or environmental degradation. Access in water supply and sanitation (WSS) is constrained by large coverage gaps in rural areas, compounded by income status. Compared to other countries in the Danube region, the share of population with access to basic water and sanitation services in Moldova is low. The gap between urban and rural remains one of the largest in Europe and is one of the key water security issues the country is facing.

The Government of the Republic of Moldova is in the process of negotiating with the World Bank regarding financial assistance to its proposed Water Security and Sanitation Project (hereinafter WSSP). The objective of the project (PDO) is to increase access to safely water supply and sanitation services in selected rural areas and small towns, and to strengthen local and national institutional capacities for water supply and sanitation service delivery

Safely managed drinking water supply means that services are delivered on premises through household connections, are reliably available through 24 hr/day service and free of contamination following national drinking water quality standards. Safely managed sanitation means that services are delivered through an improved, not shared facility at the household level, with safely managed collection, treatment and disposal. This is realized through upgrading and expanding household sewer connection services and the construction of new wastewater treatment plants, as well as on-site sanitation facilities. The second part of the PDO on refers to capacity strengthening both at national level - for the Ministry of Agriculture Regional Development and Environment (MoARDE), and its subordinate entity "Apele Moldovei" and the national WSS regulator, as well as at local service delivery level - for selected utilities. It encompasses the strengthening of sector investment planning, financing, monitoring, oversight and management functions, as well as enhanced planning and management capacities of utilities for performance improvements and enhanced accountability of service delivery.

The proposed Project will have four components.

Component 1 – Access and Quality of Water Supply and Sanitation (WSS) services in Small Towns and Rural Areas (US\$ 46 million). This component will develop new and rehabilitate existing WSS infrastructure and facilities in rural areas and small towns, herewith expanding access and quality of services for households, businesses and in public social institutions. It consists of two sub-components:

- Subcomponent 1.1: Expanding access and quality of WSS services (US\$ 42.3 million): Subcomponent 1.1 will finance investments in small towns and rural areas prioritized by the MoARDE in line with the National Water Supply and Sanitation Strategy 2014-2028. This includes: i) expansion and improvement water supply services in Cahul, Vulcanesti¹ and Riscani district, ii) expansion and improvements of wastewater services in Soroca and Comrat municipalities, and iii) improvements in on-site sanitation services for rural villages. Activities will include, but are not limited to, the (re)construction and protection measures for water intake facilities, drinking water quality treatment, transmission mains, distribution network, household connections, construction and rehabilitation of sewer networks, wastewater treatment plants including sludge treatment and disposal, sewer connections for households, and a household grant incentive scheme to improve on-site sanitation services in rural villages where sewer solutions are not financially feasible. It finances feasibility, design and preparation studies, independent technical supervision services, capacity building for citizen engagement activities in sub-project locations, and advisory support to prepare necessary tariff applications and service delegation arrangements between district and local government administrations and licensed WSS operators.
- Subcomponent 1.2: Improving WASH² facilities in public institutions (US\$ 3.7 million): Subcomponent 1.2 will improvements of WASH facilities within health care centers in sub-project locations under component 1.1 and within primary and secondary schools in sub-project locations under component 1.1 and other locations based on an inventory of WASH investments needs. This includes the rehabilitation/construction of water supply connections to centralized networks or existing point sources, connection to sewer systems or construction of on-site sanitation facilities, and the rehabilitation or new construction of indoor toilet facilities with adequate handwashing and hygiene facilities. The sub-component will finance capacity development to ensure adequate O&M of the facilities, as well as education and behavior change campaigns for school staff, students and health workers on hygiene and handwashing.

Component 2 – WSS Sector Development and Modernization (US\$ 3.8 million, including US\$ 1.8 million co-financing ADA tbc). This component will focus on medium to long-term WSS sector development and modernization by strengthening institutional capacities of national and sub-national entities for sector management, planning, regulation and reform implementation, and increasing capacities of WSS operators to improve service delivery performance. It includes two sub-components:

- Subcomponent 2.1: National WSS Institutional Capacity Development and Reform (US\$ 2.35 million). This sub-component will finance activities to strengthen

¹ Vulcanesti district is part of the Autonomous Territorial Administration of Gagauzia. Its autonomy is ethnically motivated by the predominance of the Gagauz people. On 23 December 1994, the Parliament of the Republic of Moldova accepted the "Law on the Special Legal Status of Gagauzia".

² WASH (Water Supply, Sanitation and Hygiene) facilities will follow at least the minimum requirements for a basic service as per the Sustainable Development Goals targets for WASH facilities in schools and health care centers. See also: <https://washdata.org/monitoring/health-care-facilities> and <https://washdata.org/monitoring/schools>

institutional capacities at national level for resilient, inclusive, sustainable and efficient sector development and modernization. The sub-component will focus on capacities for planning, financing, economic regulation, performance monitoring, professional development and the revision and development of new policies and normative documents. Under leadership of MoARDE, and in collaboration with other entities, this sub-component will finance goods, consulting services, non-consulting services, and training for the following: i) the preparation of a National WSS Development Plan³, investment program and financing strategy and capacity development of its lead entity ii) the aggregation process of WSS operators into regional licensed service providers under this Plan, iii) the development and roll-out of a national WSS information system for performance benchmarking, iv) the preparation of revisions and/or new legislation, policies and normative documents, and new design & construction norms for sanitation, v) the capacity development of ANRE, the WSS regulator, Operators and Local Administrations to comply with tariff procedures, and vi) the implementation of a professional development program, in collaboration with AMAC⁴ and Moldovan education institutions⁵ to upskill existing and attract new human resources, specifically women, to the sector.

- **Subcomponent 2.2: Performance Improvement Program for WSS Operators** (US\$ 1.45 million). Sub-component 2.2. will finance investments (goods, works) and technical assistance (consulting services, training) to support a prioritized multi-annual Performance Improvement Plan (PIP) to lift the performance of five WSS operators⁶ involved under component 1.1, specifically for related to financial sustainability, efficiency, inclusion and resilience. It will introduce annual performance assessments against agreed targets, based on an initial two-year PIP, and – depending on the achievement of targets, the financing of priority measures under a second multi-year PIP. Investments and measures include but are not limited to: increasing connection rates, improving commercial practices and accounting systems, asset management, water metering programs, non-revenue water (NRW) reduction programs, energy efficiency, improved customer orientation, water safety and resilience/continuity plans. Customer feedback and engagement will be a part of the annual performance assessments.

Component 3 - Project Management and Coordination (US\$ 2.0 million). This component will finance operational costs, consulting services, non-consulting services, goods, and training to finance the overall project management cost, including the core project team for the Project Implementation Unit (PIU), implementation support needs at regional level within Regional Development Agencies (RDAs) and at central level for MoARDE, as Project Implementing Entity (PIE). It will finance capacity building for project implementation, financial audits, implementation support consultants, training and workshops, cost for project communication and citizen consultations, and monitoring and evaluation of project results.

Component 4 – Contingent Emergency Response Component (CERC) (US\$ 0 million). A provisional zero-amount component is included, which will allow for rapid reallocation of credit/loan proceeds from other components during an emergency under streamlined procurement and disbursement procedures. This component allows the Government to request

³ The National WSS Development Plan will form the WSS Section, of the National Territorial Development Plan, in line with Law 835/1996 and as per the guidance through Ministerial decree of MoARDE, approved June 25, 2020.

⁴ AMAC is the National Associations for Water and Sanitation utilities.

⁵ Including but not limited to the Technical University of Moldova and its departments and technical colleges.

⁶ These include Cahul Apacanal, Vulcanesti Apacanal, Riscani/Costesti Apacanal, Soroca Apacanal, Comrat Apacanal.

the Bank to re-categorize and reallocate financing from other project components to cover emergency response and recovery costs. The CERC will be established and managed in accordance with the provisions of the Bank Policy and Bank Directive on Investment Project Financing.

The project is expected to directly benefit around 95,000 people residing in the project areas including through gaining water supply (35,000) and/or wastewater or sanitation access (36,500) at home, plus 25,000 people through improved WASH conditions in education institutions they attend. For water supply, beneficiaries are largely households currently reliant on self-supply for drinking water that will, as a result of the project, be connected to a centralized scheme, as well as households now poorly served by a local operator that will benefit from improved quality and reliability of water services delivered through the newly developed system (35,000). On the sanitation side, beneficiaries include households that will as a result of the project, be connected to a sewerage system with adequate wastewater collection and treatment, as well as households with a existing sewer connection to a system that operates without any treatment and safe disposal at the moment (35,000). In addition, a pilot program in rural villages to help increase access to safely managed sanitation services is expected to reach 500 households or 1, 500 people.

The project activities are expected to generate both direct and indirect positive social impacts. Nevertheless, besides potential involuntary resettlement, permanent or temporary land acquisition and other resettlement activities impacts, the project may trigger potential adverse social impacts as outlined below:

- Temporary severance of access to certain areas on building during civil work activities.
- Public safety risks from construction traffic.
- Construction noise and vibration affecting teaching and learning during the civil work and installation period.

The adverse social impacts might be associated with the construction safety and health issues in case the prescribed mitigation measures are not followed by contractors during the execution of the civil work or installation of the new equipment in WWTP.

2. RESETTLEMENT PRINCIPLES AND OBJECTIVES

The Implementing Agency is required to prepare and disclose within Moldova and on the World Bank Infoshop, appropriate environmental and social safeguards instruments under the Environmental and Social Framework for proposed project investments prior to the project's appraisal. As the project planned interventions including the location of the sub-projects have not yet been fully defined, the preparation of the following framework documents is required prior to appraisal: Environmental and Social Management Framework (ESMF), **Resettlement Policy Framework (RPF)**, Stakeholder Engagement Plan (SEP), Labor Management Procedure (LMP) and draft Environmental and Social Commitment Plan (ESCP).

The objective of this Resettlement Policy Framework is to set out the policies, principles, institutional arrangements, schedules and indicative budgets for the resettlement to be caused by the project. The development of the RPF and application of ESS5 are potentially triggered by the Subcomponent 1.1: Expanding access and quality of water supply and sanitation services and Subcomponent 1.2: Improving WASH facilities in public institutions.

The objectives of the individual RAPs to be prepared and implemented prior to vacating the land for construction works will be to specify the procedures to be followed and the actions to be taken to properly compensate and/or assist affected people and communities. The RAPs will identify the full range of people affected by the project and justify their displacement (if any) after consideration of alternatives that would minimize or avoid displacement.

Land acquisition for the project will be governed by the following general principles:

- All possible steps will be taken to minimize acquisition of productive, privately owned land and to avoid acquisition of residential areas and businesses through careful selection of the needed plots and consideration of all possible alternatives.
- Related to the above, the project will use government owned land as much as possible for the needed infrastructure.
- In case land acquisition is necessary, the property and inheritance rights of affected people will be respected, and procedures specified in the RPF and relevant RAP will be followed.
- The preparation and implementation of the resettlement instruments will be done in a transparent manner with the participation of affected persons and relevant institutions.
- For those losing agricultural land, the project will place primary emphasis on providing acceptable replacement land of equivalent production value or cash compensation as may be agreed with the Project Affected Person. Valuation of land, businesses, and other assets for which compensation is given will be based on full replacement cost, for land also normative land value⁷, as it is specified in the replacement cost definition. In case alternative replacement land with similar quality (area and quality worthiness) is not available the difference in quality and area may be compensated in cash at replacement value.
- Any infrastructure facilities such as roads, water pipes, and communication networks disrupted by the project will be replaced.

⁷ According to The Law “on land normative value and sale and purchase” (No.1308/1997 as of 25.07.1997- “The Law”) land plots owners (possessing either agricultural, or non-agricultural land) have a right for a land compensation at market value, but not less than the normative land value which is established by the land quality indicators.

- Project will seek resolve compensation, registration, and transfer issues with owners on a mutual agreement basis.
- Affected persons will be provided replacement land or compensated in full, without deduction for depreciation or for any other purpose before the Implementing Agency/ Local Authorities would require vacating the land for the infrastructure construction works.
- The policy applies to all affected persons regardless of the total number affected, the severity of impact and whether they have legal title to land or assets. Particular attention shall be paid to the needs of vulnerable groups among those affected.
- During RAP preparation and implementation particular attention will be paid to the needs of vulnerable groups, women and minorities, people who live below the poverty line, ethnic minorities and displaced persons. The vulnerable PAP`s will be identified and their special needs will be assessed during RAP preparation.

Public consultations will be conducted with various stakeholders (the detailed description of the Project stakeholders provided in SEP). The final RPF version, upon World Bank approval, will be published on the official websites of the lender and implementer and in official information resources (if any). In addition, the hard copies of this RPF will be available at the construction sites and local settlements.

3. RESETTLEMENT PLANS PREPARATION AND APPROVAL

Upon availability of the information on the exact amount and type of land to be allocated, number of people affected, Resettlement Action Plans will be prepared for respective sections of the project.

Taking into consideration that there are no final design drawings for the afore-mentioned sub-projects under component 1.1 and activities to have final engineering decisions, there is not enough data to prepare Resettlement Action Plan(s). Resettlement Action Plans to be developed under the project are subject to preparation by PIU and approval of the World Bank.

Resettlement planning screening will be used to identify the type and nature of potential negative impacts resulting from the activities proposed under the project and provide adequate measures to address these impacts. The steps to be undertaken for each individual Resettlement Action Plan include a screening process, identification of Project Affected Persons. The goal of screening is to identify and consider resettlement issues as early as possible. Once resettlement issues and project affected persons are identified, the following steps should be undertaken: a RAP should be prepared by the PIU in consultation with the local authorities and PAPs.

RAP shall be approved by the World Bank. Once approved by the Bank the RAP shall be disclosed and public consultations with the PAPs conducted by the borrower prior to implementation of the RAP.

The RAP must be fully implemented to address compensation issues for the losses sustained by PAPs prior to vacating the land for initiation of works.

Public consultation and participation during RAP preparation and implementation are essential because they afford PAPs the opportunity to contribute to both the design and implementation of the project activities and reduce the likelihood for conflicts as well as increased benefits being realized by PAPs. For the project to be successful and effective close consultations with local communities is a prerequisite. In recognition of this, particular attention should be paid to public consultation with potentially affected individuals/households.

The consultation process shall ensure that all those identified as stakeholders are consulted, the information about the project is shared with the public through notification in local newspapers, paper announcements in state offices or on information boards in the region, etc., to enable meaningful contribution, and enhance the local communities' engagement in monitoring of the project.

A sample outline of a RAP is included as Annex 1. The basic land acquisition and resettlement -related steps for the preparation of the RAP are summarized in Annex 2.

4. ESTIMATED POPULATION DISPLACEMENT

At the moment of drafting the document there is no estimation on the number of affected persons or displaced persons. This will be done once final designs are approved. Based on the designed location for pipelines, reservoirs and drinking water treatment and wastewater treatment plant locations the project will determine the exact right of way and resettlement area of potential impact.

The design will focus⁸ on minimizing the need for resettlement and land acquisition. This is possible because where rehabilitation or replacement works are required; they are done on publicly owned property or within existing alignments. Where new buried pipelines are required, they will be located within the road reserve. There will also be short term resettlement impacts during construction, for example upon encroachers within the road reserve or businesses, or livelihoods impaired by the works and construction activities along the roads. There are however exceptions at limited locations where the works contractors will be required to work in a narrower area to minimize resettlement impacts. In such locations the works contractor might use smaller excavator (mini excavator) or hand excavation using handheld equipment. Locations with a reduced resettlement corridor of impact will be identified in the Bidding Documents scheduled and shown on the plans with GPS coordinates.

Nevertheless, while feasibility studies and preliminary designs indicate that the project will aim at using publicly owned land for drinking and wastewater treatment plants, reservoirs and will follow existing roads, i.e. the pipelines will be placed within roads' right of way, there may be instances after final designs are approved which may trigger the following potential resettlement impacts:

- Permanent land and assets (including crops) loss due to construction of treatment plants, reservoirs, and/or pipelines on privately owned land.
- Permanent loss of assets (including crops) on public lands (public land encroachers) due to construction of treatment plants and/or pipelines on public land occupied informally.
- Temporary loss of land during the construction phase of the project (construction works accommodation within the designed constructions works way leave).
- Temporary loss of incomes in case of businesses located in the designed constructions works way leave or businesses losing access to locations due to construction works. These business activities may be disrupted by the construction works.
- Impacts on vulnerable people which may lead to increased vulnerability.

Landowners and renters (registered and unregistered) who are cultivating seasonal crops will be informed 6 months in advance about works' commencement. This will enable landowners and renters to adequately plan next crop season and avoid unnecessary costs.

⁸ Draft design documents are partly available for the subprojects of Cahul/Gagauzia and Riscani Prut Cluster water supply. However, these designs will be updated and expanded.

5. ENTITLEMENT AND ELIGIBILITY CRITERIA

Table 1. Entitlement and eligibility criteria

Type of Losses	Entitled Persons	Compensation Policy and Standards
1. Permanent Loss of Land		
	<p>Private Landowners, including:</p> <p>Landowners with registered land ownership documentation</p> <p>Persons who obtained the right to register their ownership due to long actual possession, but undocumented</p> <p>Person with a notarised Power of Attorney to act on behalf of an absentee landowner</p>	<p>The loss of land will be compensated for the full replacement cost. The compensation will be paid in kind with a replacement land, land for land option</p> <p>In exceptional cases of non-vulnerable PAPs who express a strong preference for cash after having been informed about the different types of compensation, this compensation can be paid in cash for the value of full replacement cost. In case alternative replacement land with similar quality (area and quality worthiness) is not available the difference in quality and area may be compensated in cash at replacement value.</p>
2. Temporary Loss of Land		

	<p>Private Landowners, including:</p> <p>Landowners with registered land ownership documentation</p> <p>Persons who obtained the right to register their ownership due to long actual possession, but undocumented</p> <p>Person with a notarised Power of Attorney to act on behalf of an absentee landowner</p>	<p>Cash compensation for use of land calculated at rent market value or normative land value whichever is higher</p>
	<p>Registered Renters, including:</p> <p>Private renters or entities with registered leases on State land</p> <p>Private renters or entities with registered leases on municipal land</p> <p>Private renters or entities with registered lease on private land</p> <p>Private renters or entities with third party rights (seasonal grazing and stock movement rights, hay making)</p>	<p>Cash compensation for use of land calculated at rent market value or normative land value whichever is higher</p>
	<p>Un-Registered renters, including:</p> <p>Private renters with verbal or informal (unregistered) agreement with landowner</p> <p>Private renters of State or municipal land without lease or formal agreement</p> <p>Private renters of private land without formal agreement with landowner</p>	<p>Cash compensation for use of land calculated at rent market value or normative land value whichever is higher</p>
3. Loss of Assets		
	<p>Private Assets Owners, including:</p>	

	<p>Assets owners with registered documentation</p> <p>Persons who obtained the right to register their assets due to long actual possession, but undocumented</p> <p>Person with a notarised Power of Attorney to act on behalf of an absentee asset owner</p>	<p>The loss of assets will be compensated for the full replacement cost. The compensation will be paid in kind with a replacement asset.</p> <p>In exceptional cases of non-vulnerable PAPs who express a strong preference for cash after having been informed about the different types of compensation, this compensation can be paid in cash for the value of full replacement cost</p>
	<p>Un-Registered Asset Owners, including:</p> <p>Asset owner with verbal or informal (unregistered) agreement with landowner</p> <p>Asset owner on State or municipal land without lease or formal agreement</p> <p>Asset owner on private land without formal agreement with landowner</p>	<p>The loss of assets will be compensated for the full replacement cost. The compensation will be paid in kind with a replacement asset.</p> <p>In exceptional cases of non-vulnerable PAPs who express a strong preference for cash after having been informed about the different types of compensation, this compensation can be paid in cash for the value of full replacement cost</p>
<p>4. Loss of Trees/Crops</p>		
	<p>Trees/Crop Owners, including:</p>	<p>Compensation at market value</p> <p>In case of annual crops, the crops owners will be informed 6 months</p>

	<p>Trees/crop owners with registered land ownership documentation</p> <p>Trees/crop owner who obtained the right to register their land due to long actual possession, but undocumented</p> <p>Person with a notarised Power of Attorney to act on behalf of an absentee trees/crops owner</p>	<p>in advance about the works ‘commencement to enable them to plan in advance and avoid unnecessary costs</p> <p>Annual crops owners will also be allowed to collect their crops if by the works commencement the crops are ready for harvest</p>
	<p>Registered Renters, including:</p> <p>Trees/crop owners or entities with registered leases on State land</p> <p>Trees/crop owners or entities with registered leases on municipal land</p> <p>Trees/crop owners or entities with registered lease on private land</p> <p>Trees/crop owners or entities with third party rights (seasonal grazing and stock movement rights, hay making)</p>	<p>Compensation at market value</p> <p>In case of annual crops, the crops owners will be informed 6 months in advance about the works ‘commencement to enable them to plan in advance and avoid unnecessary costs</p> <p>Annual crops owners will also be allowed to collect their crops if by the works commencement the crops are ready for harvest</p>
	<p>Un-Registered Renters, including:</p> <p>Trees/crop owners with verbal or informal (unregistered) agreement with landowner</p> <p>Trees/crop owners on State or municipal land without lease or formal agreement</p> <p>Trees/crop owners on private land without formal agreement with landowner</p>	<p>Compensation at market value</p> <p>In case of annual crops, the crops owners will be informed 6 months in advance about the works ‘commencement to enable them to plan in advance and avoid unnecessary costs</p>

		Annual crops owners will also be allowed to collect their crops if by the works commencement the crops are ready for harvest
5. Impacts on Vulnerable PAPs – risk of increased vulnerability	Vulnerable or at risk groups	Special measures for vulnerable people will include financial support to secure income, health or education services, and social support, according to their necessities.
6. Loss of income and livelihoods		
	Loss of formal and informal businesses (income)	The loss of business income will be compensated in cash for the cost of identifying a viable alternative location; for lost net income during the period of transition; and for reestablishing commercial activities. Additionally, business owners will obtain specialized support to reinstall their businesses.
	Loss of formal and informal employment income due to the permanent closure or relocation of productive activities	Affected employees will receive assistance in cash for six (6) months of loss of wages and, if necessary, assistance in identifying alternative employment opportunities. and skill training.
	Loss of income from lease	The loss of income from leasing will be compensated in cash with a monthly payment rent until the

		building for the rental is restored or a new income source is in place.
	Reestablishment costs - Costs and disruptions associated with dismantling, transportation and rebuilding of structures and assets	The PAP will receive in-kind and in-cash allowances to dismantle their homes and/or businesses, transport and reinstallation of the movable assets
	Access to services - disruption of access to local/familiar educational resources	Social support

6. LEGAL FRAMEWORKS FOR RESETTLEMENT.

World Bank ESS5 requirements cover the preparation and implementation of a resettlement framework or plan which will set ground for: (i) general requirements such as eligibility classification, project design, compensation and benefits for affected persons, community engagement, grievance mechanism, planning and implementation; (ii) physical and economic displacement; (iii) collaboration with other responsible agencies or subnational jurisdictions; and (iv) technical and financial assistance. Where there is difference between national legislation and World Bank policy, the principles described in this Framework document and respective Resettlement Action Plan will be applied.

The basic principles of the Moldovan civil legislation are: recognition of equality among the parties to relationships regulated by it, inviolability of ownership, freedom of contract, prohibition to interfere with private affairs, free exercise of civil rights, guaranteed remedy of violated rights and judicial protection of the same. In particular art. 10 section b) of the Civil Code stipulates that “restoration of the condition, which existed before the violation of the right, and suppression of acts which violate or threaten to violate such right”. The principle of inviolability of ownership, guaranteed remedy of violated rights and judicial protection are in line with the ESS5.

Several regulatory instruments exist in the country that provide grounds for both (i) regulation, implementation, and management of acquisition of land, property, and productive assets, as well as (ii) compensation for the loss of these assets. Laws and regulations most pertinent to resettlement and related issues (land management, environmental assessment, compensation, etc.) include the following:

Laws and by-laws related to land management:

- The Land Code (No. 828-XII, 1991 with amendments);
- Law on Small Farmers’ Households No. 1353 of 3 November 2000;
- Law on Renting in Agriculture No. 198 of 15 May 2003;
- Law on Public Lands and their Delimitation No. 91 of 5 April 2007; and
- Approval of the Regulation on Agricultural Terrain Consolidation, Government Decision No. 1075 of 2007.

Legislation specifically related to acquisition of land includes:

- The Law on Expropriation for Reasons of Public Use No. 488 of 7 August 1999 or Eminent Domain.

Among these laws, Land Code No. 828-XII, 1991 with amendments and the Law on Expropriation for Reasons of Public Use No. 488 of 7 August 1999 provide the basis for acquisition of land for projects of national interest and municipal needs. Specifically, these regulations consider options for the land acquisition payable only for the legal landowners: (i) land-for-land; (ii) compensation based on market prices; and (iii) dispute over the compensation subject to resolution in the courts.

There is only limited compatibility between Moldovan legislation and WB policy. This reflects a fundamentally different orientation towards the relation between the government, people, and land (and other natural resources). In WB-funded projects, all land acquisition and/or resettlement issues will be resolved according to the higher standard where Moldovan law and WB policy diverge because the lesser standard is met *ipso facto*. In other words, ESS5 complements the existing body of Moldova regulations and does not supplant them.

Table 2. Gap analysis between Moldova legislation and ESS 5 Land Acquisition and Involuntary Resettlement (ESS5)

Gap	Moldovan legislation	ESS5	Bridging gaps
Potential resettlement impacts	Moldovan legislation does not specify the potential impacts of resettlement	Involuntary resettlement refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood ¹) as a result of project-related land acquisition ² and/or restrictions on land use. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. This occurs in cases of (i) lawful expropriation or temporary or permanent restrictions on land use and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail	If involuntary land acquisition, displacement and/or economic displacement will be triggered, the project will develop Resettlement Action Plans and/or Livelihood Restoration Plan according to ESS5 requirements and standards. These documents will be revised and approved by the World Bank
Key objectives of ESS5	Moldovan regulations do not consider resettlement as a sustainable development program nor do they provide grounds for alternative options. Also, they do not specify benefits and opportunities that may be provided by resettlement to improve the	To avoid, and when avoidance is not possible, minimize displacement by exploring alternative project designs. <ul style="list-style-type: none"> ● To avoid forced eviction. ● To anticipate and avoid, or where avoidance is not possible, minimize adverse social and economic impacts from land acquisition or restrictions on land use by (i) providing compensation for loss of assets at replacement cost⁴ and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected. ● To improve, or restore, the livelihoods and standards of living of displaced persons. 	Infrastructures' designs will be reviewed and examined to assess if there is room for improvement in terms avoiding involuntary resettlement. If it will be assessed that resettlement is unavoidable, the project will develop Resettlement Action Plans (RAP) and/or Livelihood Restoration Plan (LRP) according to ESS5 requirements and standards. These documents will be revised and approved by the World Bank

Gap	Moldovan legislation	ESS5	Bridging gaps
	livelihoods of the affected populations.	<ul style="list-style-type: none"> To improve living conditions among physically displaced persons through the provision of adequate housing with security of tenure⁵ at resettlement sites. 	
Involuntary resettlement instruments	Moldovan legislation lack provision on developing resettlement instruments such as Resettlement Policy Framework, Resettlement Action Plan, Livelihood Restoration Plan, Livelihood Restoration Framework	<p>Where the exact nature or magnitude of the land acquisition or restrictions on land use related to a project with potential to cause physical and/or economic displacement is unknown due to the stage of project development, the client will develop a Resettlement and/or Livelihood Restoration Framework outlining general principles compatible with ESS5.</p> <p>In the case of physical displacement, the client will develop a Resettlement Action Plan that covers, at a minimum, the applicable requirements of ESS5 regardless of the number of people affected.</p> <p>In the case of projects involving economic displacement only, the client will develop a Livelihood Restoration Plan to compensate affected persons and/or communities and offer other assistance that meet the objectives of ESS5</p>	If involuntary land acquisition, displacement and/or economic displacement will be triggered, the project will develop Resettlement Action Plans and/or Livelihood Restoration Plan according to ESS5 requirements and standards. These documents will be revised and approved by the World Bank
Different categories of resettlement such as economic or physical	Displacement and land acquisition take place under the the Law on Expropriation for Reasons of Public Use No. 488 of 7 August 1999 or the Eminent Domain Law and the Land Code that only apply	<p>ESS5 recognizes both physical displacement and economical displacement.</p> <p>Project-related land acquisition and/or restrictions on land use may result in the physical displacement of people as well as their economic displacement. Consequently, requirements of ESS5 in respect of physical displacement and economic displacement may apply simultaneously</p>	The project will apply ESS5 throughout the project cycle, therefore making sure all possible impacts are considered and are addressed accordingly

Gap	Moldovan legislation	ESS5	Bridging gaps
	to physical resettlement		
Displaced people without legal rights	Moldovan laws do not recognize displaced persons without legal rights. The Land Code covers only the rights of the landowners, users of land (legal tenants), and the businesses that have legal rights to the land and other property. It therefore denies compensation for populations without some form of legal title.	Displaced persons may be classified as persons (i) who have formal legal rights to the land or assets they occupy or use; (ii) who do not have formal legal rights to land or assets, but have a claim to land that is recognized or recognizable under national law; or (iii) who have no recognizable legal right or claim to the land or assets they occupy or use. The census will establish the status of the displaced persons.	RPF, RAP and LRP developed under the project will provide compensation arrangements for displaced people without legal rights as per ESS5
Livelihood restoration	Specific considerations for the livelihood restoration are not present in the Moldovan regulations	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	The project will develop the RAP/LRP to consider for the livelihood restoration for the affected persons based on ESS5 provisions
Replacement cost	Specific considerations for replacement costs that are disaggregated by types of affected assets (e.g. old, new	ESS5 objective - To anticipate and avoid, or where avoidance is not possible, minimize adverse social and economic impacts from land acquisition or restrictions on land use by (i) providing compensation for loss of assets at replacement cost and (ii) ensuring	RPF, RAP and LRP developed under the project will provide compensation at replacement cost as per ESS5

Gap	Moldovan legislation	ESS5	Bridging gaps
	houses) are not present in the Moldovan regulations	that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected.	
Informed participation of project affected persons PAP	<p>Limited legal basis to provide public disclosure of land acquisition and resettlement activities</p> <p>However, a number of existing regulations and international conventions, to which Moldova is a party provide a basis for developing specific regulations on public participation and consultation processes for resettlement</p> <p>Convention on Access to Information, Public Participation in the Decision-Making</p>	It is important that affected disadvantaged or vulnerable individuals or groups have a voice in consultation and planning processes. This may involve special efforts to include those who are particularly vulnerable to hardship because of physical or economic displacement.	The project will disseminate information about the project and infrastructure works and resettlement arrangements in the resettlement development stage and will organize meaningful consultation with affected communities and Project Affected Persons throughout the project cycle. Special attention will be paid to vulnerable or at-risk groups to hear their concerns and plan resettlement activities to mitigate adverse impacts on these groups in particular and community in a broader context

Gap	Moldovan legislation	ESS5	Bridging gaps
	<p>Process and Access to Justice in Environment (Aarhus, 1998)</p> <p>Law on Access to Information No. 982-XIV from 11 May 2000</p>		
Grievance mechanism	<p>Limited legal basis to establish a grievance mechanism consistent with ESS requirements</p> <p>However, a number of existing regulations provide a basis for addressing grievances</p> <p>Administrative Code no. 116 as of 19.07.2018</p>	<p>The client will establish a grievance mechanism consistent with Performance Standard 1 as early as possible in the project development phase. This will allow the client to receive and address specific concerns about compensation and relocation raised by displaced persons or members of host communities in a timely fashion, including a recourse mechanism designed to resolve disputes in an impartial manner</p>	<p>The project will establish a grievance mechanism consistent with World Bank standards as early as possible in the project development phase</p>
Preference for negotiated agreements	<p>Limited legal basis for preference of negotiated agreements</p>	<p>To help avoid expropriation and eliminate the need to use governmental authority to enforce relocation, clients are encouraged to use negotiated settlements meeting the requirements of this Performance Standard, even if they have the legal means to acquire land without the seller's consent.</p>	<p>The RAP/LRP developed under the project will consider and provide grounds for negotiated settlement. The preference for negotiated settlement will be advocated by the project and</p>

Gap	Moldovan legislation	ESS5	Bridging gaps
			adequate methodology will be established
Minimization of displacement	There is no provision in Moldovan legislation regarding minimization of displacement	ESS5 objective - To avoid, and when avoidance is not possible, minimize displacement by exploring alternative project designs	Infrastructures' designs will be reviewed and examined to assess if there is room for improvement in terms avoiding involuntary resettlement. If it will be assessed that resettlement is unavoidable, the project will develop Resettlement Action Plans (RAP) and/or Livelihood Restoration Plan (LRP) according to ESS5 requirements and standards. These documents will be revised and approved by the World Bank
Baseline and Cut-off date	There is no provision in Moldova legislation relating to cut-off date establishment	In the absence of host government procedures, the client will establish a cut-off date for eligibility. Information regarding the cut-off date will be well documented and disseminated throughout the project area.	The project will establish a cut-off date for eligibility. The establishment of the cut-off date will be documented and disseminated through flyers, public displays, media announcements and social networks in the project area
Preference for in-kind compensation over cash compensation	While Moldovan expropriation law provides grounds for in-kind compensation (land swapping) there is no provision to enact preference for	Where livelihoods of displaced persons are land-based, or where land is collectively owned, the client will, where feasible, offer the displaced land-based compensation	The project will strongly advocate for in-kind compensation especially in cases where vulnerable or at risk groups assets will be affected

Gap	Moldovan legislation	ESS5	Bridging gaps
	in-kind compensation over cash compensation		
Compensation for loss of economic activities and loss of income flow	There is no provision in Moldovan legislation referring to compensation for loss of economic activities and loss of income flow	<p>In the case of projects affecting livelihoods or income generation, the Borrower's plan will include measures to allow affected persons to improve, or at least restore, their incomes or livelihoods.</p> <p>Economically displaced persons will be provided opportunities to improve, or at least restore, their means of income-earning capacity, production levels, and standards of living</p>	The project will develop the RAP/LRP to consider for the livelihood restoration for the affected persons based on ESS5 provisions
Allowances and support during the transition period	There is no provision in Moldovan legislation allowing the provision of transition support and allowances	Transitional support will be provided as necessary to all economically displaced persons, based on a reasonable estimate of the time required to restore their income-earning capacity, production levels, and standards of living	The project will develop the RAP/LRP to provide special compensation arrangements transitional support: moving allowances, income restoration support, vocational training, etc.
Measures for the most vulnerable population	There is no provision in Moldovan legislation to offer additional assistance to vulnerable groups in resettlement activities	The resettlement plan provides for transitional relocation assistance to people who are physically displaced. Such assistance may include transportation, food, shelter, and social services that are provided to affected persons during the relocation to their new site. Additional measures may be necessary for vulnerable groups during physical relocation, particularly pregnant women, children, the elderly, and the disabled. Assistance may also include cash allowances that compensate affected persons for the inconvenience associated with resettlement and defray the expenses of relocating to a new location, such as moving and lost workdays.	The RAP/LRP developed under the project will consider special provisions and compensation arrangements for vulnerable or at-risk groups. This may be tailored into additional compensation packages or special support

7. AFFECTED ASSETS VALUATION METHODOLOGY

The permanent land loss will be compensated at either the current market value topped up with the transaction costs or normative land value as calculated per Moldovan legislation whichever is higher.

In the Republic of Moldova three methods are used for determining the market value of land and real estates⁹:

1. Expenses method is based upon estimation of the market value of the valuation object including all expenses necessary for its creation up to current state or recovery its consumption qualities.
2. Sales comparative analysis method involves the estimation of the market value of the economic good based on the comparative analysis of similar goods recently sold and the sale prices adjustments to consider differences between these goods and valuation object.
3. Incomes method is based upon analyzing the information on incomes and expenses related to the valuation object; it allows determining the price of affected asset on the basis of net operational income which can be generated by this asset in future.

In order to determine the replacement value for structures and real estates the project will use the expenses method where depreciation of the assets will not be taken into consideration and the value will be topped up with the transaction costs (notary fees, cadastre services fee, ownership registration fee, etc.).

For land the most appropriate valuation methodology would be incomes method backed up by the other two methods in the attempt to determine the market value to be topped up with the transaction costs (notary fees, cadastre services fee, ownership registration fee, etc.). The resulting value will be compared with the normative price of land (see below) value. Whichever value is higher will be considered for compensation.

The normative price of land is a measure of estimation of the land value equivalent to its natural and economic potential expressed in national currency and it determined according to the law on normative price and order of purchase and sale of land No. 1308-XIII of July 25, 1997.

The tariffs for calculating the normative price of land are established for a conventional unit (degree-hectare), on the basis of the cadastral indices (quantitative and qualitative) listed in the Annex to the above mentioned law, and are indexed based on the inflation rate by the Parliament, at the Government proposal.

The normative price for the agricultural land plots, household plots and orchard plots is calculated based on the plot area, soil fertility expressed in degrees and the tariffs indicated in the Annex to the law on normative price and order of purchase and sale of land. If no additional soil studies have been performed, the degree of the soil fertility is to be considered the average degree of the soil fertility of the respective administrative unit.

Land acquisition and compensation will be governed by national regulations that will be drawn up and approved at Cabinet level.

⁹ art.6 of the law On appraisal activity No. 989 as of 18.04.2012

7.1. Compensations for loss of annual crops

The cash compensation for the loss of annual crops will be determined according to the formula below:

$V=A \times P \times AP/10$; where:

A – Land plot area, ha;

P – Average yield in the last 5 years, quintal/ha;

AP – Average value of agricultural production in the last 5 years, MDL/tonne.

An assessment is to be made separately for each crop, thereby obtaining the average annual income. Most of the losses for each affected crop would be temporary. Farmers will be given consultations on their rights according with the above methods for calculating compensation. To define the sum of compensation for temporary or permanent land acquisition, the following information is taken into consideration:

- Structure of sown areas.
- Current market prices for crops.
- Yield from crop production in the last five years.
- Expenses on crop yields.

The compensation for loss of annual crops will be provided to PAPs if annual crops will be affected either through direct removal or by preventing planting (i.e. the remainder of the field is planted at the time of construction).

7.2. Compensations for loss of perennial crops

Compensation for the loss of perennial plantations was calculated at the total replacement cost. Compensation includes the value of the lost harvests and plantation reestablishment costs. Therefore, the calculation of the compensation for the affected orchards has considered the direct and indirect costs related to soil preparation, plantation establishment until the plantations recovers its former state and the loss of harvests until the plantation starts to fruit.

The volume of the capital investments for establishing orchards until the fruitful period (plantation recovery costs), as well as the information on market prices and average harvest per 1 ha were established on the basis of surveys to be carried out by the valuation expert.

Calculations for loss of perennial crops were based on the replacement cost. These were made according to the following formula:

$Tc= (Pm \times Pr \times Ac \times Nc) + (Rc \times Nc)$, where

Tc – Total compensation for loss of perennial crops (Lei)

Pm – Average yield marketed (kg/tree)

Pr – Average wholesale price (lei/kg)

Ac – Years needed to recover the lost harvest (years)

Rc – Recovery costs (lei/tree) representing land preparation costs plus the cost of the seedling

Nc – Number of affected trees

Timber trees will be compensated at the market value of wood.

8. INSTITUTIONAL ARRANGEMENTS

Specific roles and responsibilities of key institutions

The MARDE will have overall responsibility for the Project as Project Implementing Entity (PIE). In collaboration with operational capacity within the MARDE, it has been agreed that the day-to-day implementation would be delegated to the EPIU as Project Implementation Unit (PIU). The PIU will have responsibility for the project management and reporting, procurement and financial management, and ensuring compliance with the Environmental and Social Standards (ESS).

PIU will provide overall oversight of all RAP activities, including preparation, implementation, and monitoring in collaboration with the MARDE and Regional Development Agencies (RDAs). PIU will coordinate with various agencies to obtain effective, smooth and timely land acquisition and compensation of the PAPs, as well as overall project implementation

Regional Development Agencies (RDAs) would have several technical implementation support roles. RDAs, who report to MARDE, will have the following roles: (i) facilitate and help coordinate the involvement of LPAs in subprojects; (ii) provide technical input for the specifications of the Bidding documents, (iii) participate in tender committees; (iv) handle contract administration and supervision of construction of subprojects; and (v) support to implementation of ESS. The preliminary assigned technical implementation roles of RDAs pose an opportunity for further capacity building and institutionalization during implementation, for example in terms of stakeholder engagement and environmental and occupational health and safety measures.

Local Councils (LC) (including **Secretaries of Local Councils SLC**) and **Mayors**. Local Councils are the authorities responsible for local autonomy as taking decision bodies while Mayor as executive body. In addition to Local Councils at the level of municipalities and communes, Rayon Councils at the level of the Rayon (or district) will be engaged. The assets to be developed by the Project will be transferred to the balance sheets of Local Councils, or Rayon Councils (e.g. for inter-municipal/communal assets, such as transmission mains). The Local Councils and/or rayon Councils are expected to delegate the management, operation and maintenance of the assets to a capable WSS Operator, licensed by the national WSS regulator.

Public Services Agency through its Territorial Cadastre Services (TCS) will conduct identification of all affected land parcels, assets via a census of the PAP, as well as ownership status and lease information

A **Resettlement Specialist** (an international consultant) may be engaged and will assist in land acquisition and resettlement planning, implementation, internal monitoring and evaluation and training of agencies and local governments in the requirements of ESS5. A **local NGO and/or local consultants teams** hired to provide on-site RAP preparation assistance for surveys, base-line information gathering or community consultations.

Public notaries. Public notaries will be responsible for authentication of the real estate acquisition contracts, authentication of Power of Attorney, issuance of the ownership title, rent certificate, heir certificate or other documents necessary for the resettlement activities.

Evaluation Companies licensed in accordance with the law on licensing of certain types of activities to evaluate the assets.

9. GRIEVANCE REDRESS

The aim of setting a grievance redress mechanism is to ensure that fair, timely and accessible to all parties' procedures are in place to settle or redressing of any individual or collective (community-based) grievance or complaint of the Project affected populations. Common approach is to seek solution at the earliest stage. Some of the steps may include:

Providing clear and easily accessible information to all Project affected persons (PAPs) on how to make complaints or resolve any disputes that may arise as a result of the Project.

- Identifying and implementing actions that are adequate, mutually acceptable and beneficial to all parties.
- Ensuring that complaints are satisfied; and
- Avoidance of the resorting to the court proceedings.

Moldovan legislation allows affected persons an option for seeking redress through the courts, under the Land Code, the Law on Expropriation for Public Use, Law on Administrative Litigation, No. 793-XIV of 10 February 2000, Law on Administrative Litigation, No. 793-XIV of 10 February 2000, and Civil Procedure Code, No. 225-XV of 30 May 2003, Administrative Code (no. 116, 19-07-2018). Specifically, these laws provide the framework under which a grievance mechanism can be developed for the purposes of the resettlement and land acquisition including:

- Provision is made for appeal against the expropriation conditions within 45 days of notification. Such appeals are settled within 30 days of the appeal by a Committee¹⁰, including three specialists and three landowners. Parties must be notified within five days of the adoption of the Committee's decision which would serve as the basis for compensation (Law on Expropriation for Public Use);
- If the parties cannot agree on the terms, expropriation for reasons of public use can only occur based on a judicial decision and preliminary reimbursement. In this case the court appoints relevant experts to determine the level of compensation. Payment must be made within 30 days of the court's decision (Law on Expropriation for Public Use).
- Petitioners who do not agree with the decisions of the official person or entity that reviewed the petition, have the right to appeal to the administrative court within 30 days (Administrative Code no. 116 as of 19.07.2018); and
- The right of any interested person to appeal to a court in order to defend her/his rights that were violated or challenged and her/his legitimate freedoms and interests (Article 5 of the Civil Procedure Code, No. 225-XV of 30 May 2003).

Based on existing provisions in Moldovan legislation, compliance with ESS5 can be achieved in the following areas:

¹⁰ Grievance redress committee (GRC)

- A grievance mechanism must be available to allow PAPs to appeal any decision, practice or activity arising from land or other assets compensation to which they have not agreed.
- PAPs will be fully informed of their rights and of the procedures for addressing complaints whether verbally or in writing during consultation, survey, and time of compensation.
- Care will always be taken to prevent grievances rather than going through a redress process. This can be obtained through careful RAP design and implementation, by ensuring full participation and consultation with the PAPs, and by establishing extensive communication and coordination between the community, the PIU and local governments in general.
- Grievance procedure should be simple as to allow easy administration of all steps to the local community and individual level; it should be flexible, open to various proofs and fair resolution of the grievance of those who expressed dissatisfaction and therefore seek redress; and
- It is important that individuals or communities are provided with clear and timely information on the progress of grievance procedure throughout the entire duration; in the case of community redress, it is advisable that local legal and traditional mechanisms of dispute resolution and grievance are also considered.

The grievance redress mechanism (GRM) will be established accordingly and will be communicated to the affected community and persons during the initial information disclosure. Information including grievance redress procedures, modes of grievance submission, contact details of personnel responsible for the mechanism, and timeframes for response and resolution will be communicated in the following ways:

- Posted publicly on the public displays – village hall or dedicated public displays.
- Included in project information handouts/flyers.
- Posted on the MoARDE and PIU website and on specific Citizen Engagement online platform website established for the Project, where grievances can be submitted.
- Discussed in group and individual interactions with the community and project affected persons during face-to-face, virtual consultations, field work and subsequent engagements.

The GRM will be established at 3 levels:

Level 1. Local level and on online platform. The technical supervisor will be responsible for collecting the grievance from local residents and Contractor`s employees. The channels for grievance submission will be disclosed near the construction site in big board format. For Contractor`s employee special grievance box and e-mail will be available for submitting grievances (including anonymous). The technical supervisor will responsible for collecting grievances from Contractor`s personnel. The GRM will be also accessible on the online Platform and linked with the MARDE and RDAs websites - [link](#).

Level 2. PIU. the complainant will be able to submit grievance to PIU on:

online Platform: **TDB**

e-mail: mihail.beregoi@uipm.gov.md and larisa.cupcea@uipm.md

postal address: Larisa Cupcea, Chisinau, Alexandru cel Bun 51A street, MD 2012

by telephone 022226254

Level 3. MARDE. Complainants may fill in online form following the provided platform link or fill in the template (Annex 4) and send to:

online Platform: **TDB**

e-mail: **cancelaria@madrm.gov.md**

postal address: Ministry of Agriculture, Regional Development and Environment, MD-2005 Chisinau, str. Constantin Tanase 9

by telephone: 022 204547.

All land acquisition and resettlement preparation complaints will be referred to the local grievance redress committee (GRC¹¹) that will be organized at District and Local Public Authority for resolution. GRCs will include representatives from the local community (community leaders) and project affected persons. The project will train the committees about their roles and responsibilities; communication with the PAPs, frequency of the meetings and the ways to engage and provide feedback to community members.

The project will outline and train the GRCs on the detailed step-by-step procedures for receiving, recording, and handling complaints.

The GRCs play the following roles and responsibilities:

- Examines the complaints and associated documentation.
- Delivers clarifications to complainants.
- Develops grievance resolution memo.

The Grievance Redress Mechanism procedure will follow the next steps:

- All complaints will be gathered and recorded in a special register kept by the GRC.
- If necessary, the GRC may involve external expertise for clarifications and explanations.
- The grievances will be examined within 10 days from the date when the grievance was submitted.
- Develop grievance resolution memos for each complaint.

It is to be noted that this is not the final resolution. The complainant has the right, in case of disagreement with the resolution, to address to Courts seeking a resolution for the complaint.

¹¹ The Committee set up by decision of the local council for works of local and common interest. Law on Expropriation for Public Use, No. 488-XIV of 8 July 1999, art. 11 Resolving objections

10. ARRANGEMENTS FOR FUNDING RESETTLEMENT

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

Finances for compensation, allowances, and administration of RAP preparation and implementation will be provided by the proposed projects via a specially allocated RAP Fund and partially by the Government, if such agreement can be reached. In order to ensure that sufficient funds are available for land acquisition and resettlement tasks, the proposed projects (RAP Fund) will have to allocate 100% of the cost of compensation at replacement cost and expected allowances estimated in each RAP plus 20% of contingencies before RAP implementation.

Being a key agency for resettlement activities, MoARDE will be responsible for the oversight of the timely allocation of the funds by MoF needed to implement the RAP.

11. CONSULTATION AND PARTICIPATION

Officials of provincial, district levels, villagers will be informed about the proposed projects, and their assistance will be solicited in the conduct of the inventory of affected assets and the census of all PAP. Also, prior to the finalization of the RAPs and its submission to World Bank approval, the PAP will be thoroughly informed on the results of the census and inventory of impacts, and their preferences on compensation or other resettlement assistance will be given due consideration. The processes and mechanisms ensuring the active involvement of PAP and other stakeholders will be detailed in the RAP which will also include an appendix with date, list of participants, and minutes of consultation meetings.

This RPF as well as the RAPs will be made available to public at the MoARDE and RDA regional offices, where possible, and local administration of Rayon level, The English text will be posted on MARDE and RDA websites after the RPF and RAP are endorsed by World Bank. In addition, Romanian and Russian versions will be posted on the MARDE and RDA websites and the project's dedicated Digital Citizen Engagement website will have downloadable links to the RPF and the RAPs. Romanian and Russian versions of the RPF and RAPs will be disclosed to the affected communities. Pamphlets in Romanian and Russian, summarizing compensation eligibility and entitlement provisions, will be sent to all PAP before construction works commence.

MARDE has organized public consultation on March 10, 2021 to present the project activities and relevant ESF documents. Among the participants were representatives from MARDE, MECR, MHLSP, MoF, LPA, service providers, representatives of civil society and media. The participants were informed about description, objectives, components of MWSS project. The ES package including the ESMF, SEP and RPF documents were presented to highlight importance of these documents in assessing and addressing environmental and social risks and engaging the stakeholders. During the meeting the issues related to land acquisition, service cost, vulnerable group benefits, communication with the rural area population, and project stakeholders' roles and responsibilities were highlighted and discussed.

During online consultations participants were informed about their possibility and available channels to give feedback. Additional rounds of the public consultations will be required during the process of the Resettlement Action Plan preparation to establish cut off date for the land acquisition.

Considering COVID-19 outbreak the citizen engagement activities shall follow the recommendations of national authorities and other relevant stakeholders when organizing these meetings, a sample guide can be found in the link below:

https://hr.un.org/sites/hr.un.org/files/Coronavirus_MeetingGuideParticipantsGlobal_2020-02_26_0_2.pdf

Also, the following WHO guidelines are used in internal orders by the Ministry of Health, Labor and Social Protection and/or Emergency Commission (Health) related to COVID-19 outbreak:

<https://www.who.int/emergencies/diseases/novel-coronavirus-2019>

<https://msmps.gov.md/ce-este-un-coronavirus-de-tip-nou-cum-sa-te-protejezi-impotriva-acestei-infectii-intrebari-si-raspunsuri/>

<https://www.worldbank.org/en/news/infographic/2020/11/17/world-bank-group-covid-19-crisis-response>

[As recommendation during pandemic, all public consultations and disclosure activities will be carried out using online video conferencing platforms](#)

12. MONITORING ARRANGEMENTS

RAP tasks under the Project will be subjected to internal monitoring. Internal monitoring will be the responsibility of the PIU supported by social consultant recruited by the project in support of the RDAs. Overall oversight rests with MoARDE.

Internal Monitoring

Internal monitoring will be carried out routinely by the PIU. Their results will be communicated to MARDE through the quarterly Project implementation reports. Indicators for the internal monitoring will be those related to process and immediate outputs and results. This information will be collected directly from the field, with support of RDAs (dedicated ESS consultants will be hired by the Project for the RDAs) and reported monthly to the PIU to assess the progress and results of RAP implementation, and to adjust the work program, if necessary.

Specific monitoring benchmarks for Internal Monitoring will be:

- Information campaign and consultation with PAP;
- Status of land acquisition and payments on land compensation;
- Compensation for affected structures and other assets;
- Relocation of PAP;
- Payments for loss of income;
- Selection and distribution of replacement land areas; and
- Income restoration activities

The above information will be collected by the PIU which will be responsible for monitoring the day-to-day resettlement activities of the Project through the following instruments:

- Review of census information for all PAP;
- Consultation and informal interviews with PAP;
- In-depth case studies;
- Sample survey of PAP;
- Key informant interviews; and
- Community public meetings.

ANNEX 1 SAMPLE OUTLINE OF A RESETTLEMENT ACTION PLAN

I. Executive Summary

This shall include the statement of objectives, legal framework, main impacts, and the mitigation measures, and the budget.

II. Description of the Project, including the following

- Key objectives of project
- Key activities
- Description of the project areas

III. Resettlement Impacts:

To provide details (or best estimates) on categories and amounts of significant adverse impact, and the number of persons to be affected by each. The text should indicate how these data were obtained. As relevant in each case, this should include: land to be acquired (by category of use; permanent and temporary acquisition); housing or other structures to be demolished; fixed assets taken (e.g., wells, fences, tombs); crop losses; businesses (and employees) affected by temporary or permanent displacement disruptions to community facilities or services.

To provide details (or best estimates) regarding identification of any groups who may be particularly vulnerable to hardship. The text should indicate how these data were obtained. As relevant, this should include: Those occupying or utilizing land or structures without legal title or permit; Households vulnerable to hardship because of poverty, age, infirmity, or other limitations to responsiveness.

IV. Socio-economic survey

This section will be the summary of the results and findings of the socio-economic studies and surveys, including:

- The results of a census survey covering:
 - The current occupants of the affected area to establish a basis for the design of the resettlement program and to exclude subsequent inflows of people for eligibility for compensation and resettlement assistance;
 - Standard characteristics of displaced households;
 - The magnitude of the expected loss - total or partial – of assets, and the extent of displacement, physical or economic;
 - Information on vulnerable groups or persons, for whom special provisions may have to be made; and
 - Provisions to update information on the displaced peoples livelihoods and standards of living at regular intervals;
- The results of other studies describing the following:
 - Land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance,

non-title-based usufruct systems, and any issues raised by different tenure systems in the project area;

- The patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project;
- Public infrastructure and social services that will be affected, and Social and cultural characteristics of displaced communities including a description of formal and informal institutions that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.

V. Policy Objectives, Legal Framework, and Definitions

This section normally would consist of standardized text outlining key objectives, principles and definitions to be employed in resettlement planning. This would include reference to Sint Maarten enabling legislation and major regulations, as well as to World Bank OP 4.12, Involuntary Resettlement, and provides essential guidance on objectives and principles that are applicable in projects generating land acquisition and resettlement related impacts.

- Key policy objectives include: Avoidance or minimization of land acquisition and other adverse impacts. Those adversely affected (“displaced persons,” as defined below) are compensated at replacement cost for lost assets, and otherwise receive any assistance necessary to provide them with sufficient opportunity to improve, or at least restore, incomes and living standards
- Legal framework, including:
 - The scope of the power of eminent domain and the nature of compensation associated with it in terms of both the valuation methodology and the timing of payment;
 - The applicable legal and administrative procedures;
 - Relevant laws governing land tenure, valuation of assets and losses, compensation and natural resource usage rights customary personal law related to displacement, laws and regulations relating to the agencies responsible for implementing resettlement activities, and gaps, if any, between local laws in the country covering eminent domain and resettlement and the World Bank's resettlement policy, and the mechanisms to bridge such gaps and any legal steps necessary to ensure the effective implementation of resettlement activities under the project.

VI. Valuation and Compensation

This section provides the following information:

- Eligibility criteria (including cut-off dates if necessary) establishing who is entitled to receive compensation (or other forms of assistance in lieu of compensation);

- Description of valuation procedures used to establish compensation rates for land, structures or other fixed assets; description of arrangements for delivery of compensation to displaced persons;
- Compensation rates for all categories of land acquisition, for all affected areas;
- Compensation rates for all categories of affected structures, for all affected areas;
- Compensation rates for all categories of other fixed assets, for all affected areas;
- Transitional support (e.g., moving expenses, temporary living allowances, payment of fees or other transaction costs) to be provided;
- Arrangements for recalculation of compensation rates in case of prolonged delay in delivery of compensation.

VII. Income and Livelihood Rehabilitation Measures

This section provides the following information:

- Arrangements (in addition to compensation) providing sufficient opportunity for those losing land to improve, or at least restore, incomes;
- Arrangements, timing and availability for replacement housing, including site preparation and access to facilities and services as needed to improve, or at least restore, living standards;
- Relocation or other arrangements necessary for shops and enterprises to resume profitable operation;
- Arrangements (e.g., alternative employment, temporary wage support, other) necessary to maintain or restore incomes of workers in affected enterprises;
- Relocation assistance to renters or leaseholders losing access to land or structures;
- Special assistance to be provided to vulnerable groups (e.g., the poor, elderly, disabled);
- Restoration or replacement of community infrastructure and services.

VIII. Institutional Arrangements

This section identifies organizations or agencies primarily responsible for resettlement implementation. It describes these entities' capacity for effective implementation by reference to links to authority, prior experience with resettlement, and number and training of personnel. This section also briefly describes the implementation timetable, establishing that key implementation measures precede adverse impacts.

IX. Budget and Funding Arrangements

This section includes a budget breakdown estimating all resettlement-related costs, including an allocation for contingencies. It also establishes financial responsibility for meeting resettlement commitments and describes funding flow arrangements.

X. Timeline and Execution Schedule

This section shall detail the timeline and work schedule for implementation of all RAP activities.

XI. Consultation, Disclosure and Grievance Procedures

This section provides information on the following:

- Measures taken to consult with displaced persons regarding proposed resettlement arrangements, and to foster their participation in activities essential to improvement or restoration of incomes and living standards;
- Disclosure arrangements for the resettlement plan, ensuring that it is made available in a language and location accessible to displaced persons and the general public
- Administrative and legal steps displaced persons can take to pursue questions or grievances they may have regarding resettlement implementation.

XII. Monitoring Arrangements

This section briefly describes arrangements for monitoring implementation, for both internal project purposes and external monitoring to be conducted by a qualified agency independent of the project office. The scope and frequency of monitoring activities should be described.

XIII. Entitlement Matrix

ANNEX 2 PREPARATION OF THE RAP

- Review relevant project documents.
- Carry out socioeconomic surveys of remaining impacted households in the identified resettlement area of impact. Various studies need to be carried out for preparation of the resettlement action plan, including socioeconomic survey and inventory survey. The socioeconomic studies will gather data on livelihoods and income to establish a baseline for developing measures to rehabilitate livelihoods and income pre-land acquisition. The consultant will need to design a package of resettlement measures for income restoration, livelihood rehabilitation, and relocation for each category of eligible displaced persons. The RAP should also include the analysis of the proposed resettlement measures for applicability. A detailed cost schedule shall be prepared that includes, at a minimum:
 - ✓ Replacement lands commensurate with lands to be displaced.
 - ✓ Detailed, case-by-case information related to the nature and amount of compensation to be offered to PAPs for the replacement of existing structures (partially or fully).
 - ✓ Detailed, case-by-case information related to the nature and amount of compensation to be offered to PAPs for productive assets.
 - ✓ Costs for economic rehabilitation.
 - ✓ Transitional allowances to offset loss for income resulting from relocation or temporary loss of productive assets.
 - ✓ Allowances to defray the cost of moving.
 - ✓ Administrative costs and/or fees; and
 - ✓ Contingency budget (with detailed explanation of contingencies).
- The studies will be carried out in gender sensitive approach and should also pay special attention to vulnerable households to be affected. The RAP should include the results of a Census Survey on all individuals, households, infrastructure, businesses (large or small, licensed or non-licensed), farms and agricultural concerns, herding pastures. The RAP should also contain photographs and GIS coordinate information on each of the potentially adversely affected entities or PAPs, together with names of individuals and/or household heads, owners of each entity, names of regular employees, descriptions of the size and composition of all structures; a description of the function of the structure/entity (e.g., gas station, restaurant, market, dwelling, etc.); and information on the value of the structure and average monthly income from the affected assets;
- Carry out socioeconomic studies in a gender sensitive approach. The socioeconomic studies and consultations should be carried out in a gender sensitive manner. The different needs and demands of men and women will need to be considered in the survey, studies, consultations, and designed mitigation measures. To extent possible, disaggregated data would be collected. If needed, consultation with women should be organized separately.
- Pay special attention to vulnerable groups. The studies should help identify and gather information on vulnerable households and households who will be severely impacted, in order to be able to design specific assistance measures for these groups.

- Work with the PIU to establish the cut-off date for the impacted area and publicly announce this date and maintain a physical notice board with this information on the site.
- Thereafter monitor and document any changes to the status of the Resettlement Area of Impact or the right of way (using means deemed applicable by the Consultant in the process). If any encroachers are noticed refer to PIU/Government procedures for removal/use of eminent domain.
- Develop the methods for valuing the affected assets. The consultant shall develop and describe in detail the methods used in valuing those assets that will be eligible for compensation either as per national or World Bank safeguard policy. This method shall be consistent with both national policy requirements and regulations and ESS5. This process should capture the methodology for taking of inventory of assets, values assigned, and agreement reached with each identified PAP and consider inflationary realities in the final determination of values. Compensation value should reflect fully the replacement cost of acquired assets.
- Carry out consultations in collaboration with the PIU with various project stakeholders, including project affected people, on resettlement options, compensation standards, livelihood and income restoration measures; institutional arrangements, and grievance redress mechanisms. It needs to summarize the outcomes from public consultations held with communities and PAPs within resettlement area of impact and include in an Annex summary minutes of each consultation meeting, signed lists of attendance, photographs of the consultations; and the Agenda for the meeting. The consultant should note that following the preparation of the Draft RAP, further Public Consultations should be held with the PAPs to inform them of the findings and conclusions, and confirm there is general acceptance by the PAPs of the proposed mitigation measures. PAPs who are determined to be eligible for mitigation should (if they agree with the mitigation) sign.
- Description of applicable legislation and regulations, WB ESS5. Besides general description of applicable national legislation and international standards, the following pieces are required:
 - ✓ Precise legislation to be applied, legal framework and applicable procedures, description of legal proceedings in similar assignments (if previously implemented).
 - ✓ Description of legal procedure for Eminent Domain declaration and expropriation rules, description of the expropriation process.
 - ✓ Description of legal procedures on land and real estate acquisition; if any translation is required it will be separately quoted.
 - ✓ If applicable, describe procedure for cut-off date establishment and declaration.
 - ✓ Gaps between relevant national laws and WB ESS5, and specific measures needed to fill these gaps.
 - ✓ Description of entitlement policies and eligibility criteria for each category of impact; and
 - ✓ Description of method of valuation used to identify value of affected structures, land, trees, crops, and other assets; and
 - ✓ Entitlement matrix (to include information on the special cases listed above).
- Design Grievance Redress Mechanisms applicable to local social context. The consultant shall describe the options available to PAPs for grievance redress they may

have about the process, the identification of eligible people for compensation, the valuing and compensation and any other complaints they may have with the entire process. The RAP shall indicate how these would be disseminated and accessible to them in a way that is clear and comprehensible to the PAPs. The grievance redress mechanism should also have an in-built monitoring mechanism to check on responsiveness to complaints or grievances lodged. The different forms of receiving the complaints should be clearly described together with the different stages of going through the process. In addition, the redress mechanism shall indicate alternatives, in case the proposed mechanism, for any reason, does not respond to all grievances and complaints.

- Prepare resettlement action plan (RAP). The consultant will need to prepare the RAP based on the findings and results of documentation reviews, socioeconomic studies, and consultation with project stakeholders and project affected persons. The RAP needs to clearly present detailed information on the proposed mitigation measures for each affected entity/PAP with reasoning for the type and level of mitigation being offered.