

2018

# Resettlement Action Plan /for the village of Beli bryag/



*„MINES MARITSA EAST” EAD*

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## Acronyms:

**ACPS** – Agricultural Co-operation for Production and Services  
**AF** – Agricultural Fund  
**AFIS** – Agency for Social and Marketing Research  
**BEH** – Bulgaria Energy Holding  
**DSDP** – Detailed Site Development Plan  
**EBRD** – European Bank for Reconstruction and Development  
**FF** – Forestry Fund  
**GLAC** – Guide for Land Acquisition and Compensation  
**LARF** – Land Acquisition and Resettlement Framework  
**LSP** – Law on Spatial Planning  
**MME** – Mines Maritza East EAD  
**NGO** – Non-Governmental Organization  
**PAPs/AP** – Project Affected Persons/Affected Person  
**PIU** – Project Implementation Unit  
**PR5** – Performance Requirement 5 from EBRD’s Environmental & Social Policy 2014  
**RAP** – Resettlement Action Plan

**RLP** – Regulated Land Properties  
**SF** – Settlements Fund  
**SPA** – State Property Act

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## Glossary

<b>Agricultural land</b>	Land plots that are outside the built-up area of the village, used mainly for agriculture.
<b>Regulated Land Area</b>	All the land plots that are situated in the built-up area of the village.
<b>Land acquisition</b>	Land acquisition includes both outright purchases of property and purchases of access rights, such as easements or rights of way.
<b>Economic displacement</b>	All situations generated by land acquisition process in the project area that have negative consequences on the income level of affected persons either due to losses of assets or access to assets.
<b>Physical displacement</b>	All situations generated by land acquisition process in the project area that implies relocation or loss of housing and assets.
<b>Expropriation</b>	Legal process initiated by authorities (or representatives of them that are officially granted with this power) of taking property rights from its owner and transfer it to the state (or its representatives). This is commonly used for land acquisition processes for public interest projects.
<b>Informal dwellers</b>	Persons who are living in a residential structure without legal documents. In the case of Beli bryag we are talking about informal tenants, meaning people that do not have a formal tenancy contract with the property owner.
<b>Negotiated agreement</b>	The process of reaching an agreement between the MME and resettled persons without using the expropriation procedure. It reflects the expressed free will of the property owner to sell at the commonly agreed price for the property.
<b>Transition assistance</b>	All the actions that support the process of relocation by provision of additional measures to PAPs such as: transportation of assets to a new location, legal assistance, etc.
<b>Vulnerable group</b>	Vulnerable groups refer to people who, by virtue of gender identity, ethnicity, age, disability, economic disadvantage or social status may be more adversely affected by project impacts than others and who may be limited in their ability to claim or take advantage of project benefits. Vulnerable individuals and/or groups may also include people living below the poverty line, the landless, the elderly, women and children headed households, refugees, internally displaced people, ethnic minorities, natural resource dependent communities or other displaced persons who may not be protected by national and/or international law (EBRD, Environmental and Social Policy, 2014).

### Full Replacement value<sup>1</sup>,

The replacement value is calculated as the market value of the assets plus the transaction costs related to restoring such assets (taxes, stamp duties and notary fees). For losses that cannot easily be evaluated or compensated for in monetary terms, in-kind compensation should be made, in goods or resources that are of equivalent or greater value and that are culturally appropriate.

## Executive Summary

### Introduction

The current *Resettlement Action Plan* has been developed in order to set up the principles for addressing potential impacts of land acquisition within the *Replacement of Bucket-Wheel Excavators at Mines Maritza East EAD Project*, in accordance with the laws and regulations of the Republic of Bulgaria, as well as EBRD's **Environmental and Social Policy** from 2014, particularly the Performance Requirement 5: *Land Acquisition, Involuntary Resettlement and Economic Displacement*. The document serves as a framework for the current resettlement needs of the project, more specifically the resettlement of Beli bryag village. The main objective of the RAP is to ensure that the Project Affected Persons' livelihoods and standards of living are, at a minimum, restored to pre-Project levels or improved.

### Project description

The *Replacement of Bucket-Wheel Excavators at Mines Maritza East EAD Project* intends to heighten the performance and reduce the energy intensity of the mining works through the replacement of three aged and obsolete bucket-wheel excavators by one more efficient new bucket-wheel excavator, as well as purchase of a new excavator for the secondary removal of 50 mln m<sup>3</sup> overburden from the internal dump sites. The intention is to increase the production of lignite in the Republic of Bulgaria, in order to ensure security of energy supply following the closure and decommissioning of the units 1-4 of Kozloduy Nuclear Power Plant in 2007.

Mines Maritza East EAD signed a 35 years Concession contract in 2005, effected in 2008, for coal extraction from the coalfield within Stara Zagora district. The coal-mining activity covers the territory of a few of the villages situated nearby, affecting in some cases the agricultural lands near the villages only, and in other cases affecting totally the villages themselves. Specialized detailed development plans have been developed and approved for the settlements being or expected to be affected. With the progress of mining activities, during the coming years (2023 – 2025) it is expected that *the village of Beli bryag* will be the first one to be affected. The village is situated in front of the wall of mining works of Troyanovo-North Mine, which is one of the main suppliers of coal for TPP "AES – Galabovo". The three mines regularly supply coal to TPP "Maritsa-East 2" EAD and "Brikel" EAD as well. Without resettlement of this village the development of the mine, respectively coal supply, will be impossible, that is why efforts are made to make sure that it is done on negotiated and voluntary basis.

### Project Impacts

Different types of impacts stem from the land acquisition process derived from the Project, that can be either permanent or temporary. The RAP proposes measures to mitigate these impacts as much as possible. Due to project development, the following impacts have been identified:

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<sup>1</sup> EBRD's Environmental and Social Policy (2014) -

<http://www.ebrd.com/news/publications/policies/environmental-and-social-policy-esp.html>

**Physical displacement** – People currently living in Beli bryag village will have to be resettled and they will lose their properties. All structures, both residential and non-residential, will be demolished.

**Economic displacement** – The Project Affected Persons will no longer be able to use their gardens and land plots for subsistence farming or agricultural work; perennial crops and plants will be lost; shares and dividends, as well as annual rent from the local cooperative will no longer be provided; people working for the local cooperative or for micro-farmers will lose their jobs.

**Previous resettlement actions**

**-Socio-economic studies.** Beli bryag is considered a small settlement according to the national clustering system which had, years ago, about 500 inhabitants engaged in agriculture, coal mining and gypsum production. It can be argued that the residents of the village had the information about the resettlement since 1978, although the final decision on concession to MME dates back to 2005. Since then, the number of the inhabitants of Beli bryag has been decreasing and the village turned into a settlement with so-called “declining functions”. The intensive resettlement started in 2009.

A socio-economic census was carried-out in 2016, which revealed that there was a total of 148 official registered residents in the village of Beli bryag, comprising 69 households. The number of households has decreased from 69 in February 2016 to 49 at the time of writing this report (Fig.1). The census gathered quantitative and qualitative data about residents’ social and economic particularities, their views about the Project and their demands related to the resettlement. The RAP uses data taken during the census and updates it to show the current situation in the village.

116 Beli bryag residents 2017	74 living there permanently
	8 living there seasonally
	34 tenants of MME properties

Figure 1. Current number of Beli bryag residents

**-Public consultation and disclosure of information.** People subject to resettlement have known about the inevitability of this process for many years. So far, most of them have sold their properties to MME and have moved to areas which will not be affected by mining activities. Meetings and public discussions have been carried out with the residents of Beli bryag with regard to the land acquisition process and the elaboration of the Detailed Site Development Plans.

Since 2008 the residents had regular meetings with the Company’s management and all the people attending were made acquainted with the Company’s prospects for the mining activities and the gradual entry into the village territories and the village itself. MME representatives answered some of the residents’ most pressing issues and committed to solve others. Important announcements related to the Project, such as the cut-off date, were made through the local media and through notices placed in the centre of the village, at the Mayor Delegate’s office. The Company plans to continue to engage, inform and consult the villagers through biannual meetings even after the completion of the resettlement.

**-Land acquisition.** It is important to note that the Company has chosen to *negotiate* all the land acquisition process. Up to now, actions towards expropriation were taken only for agricultural land. Such actions have not been taken for properties/residential properties inside the built-up area of the village. Since 2009, the Company has acquired approximately 75% of the land needed for the Project.

**Current situation**

This report finds that there are **55 private properties** and **16 municipal properties** within the built-up area of the village still to be purchased by MME in 2017, in order to consider the resettlement finalised. Out of the 55 private properties, 18 are yard plots without structures built on them, 33 are yard plots with residential buildings and 4 properties are used by the local cooperative. Beside the properties in the built-

up area, MME is acquiring plots of **agricultural land** that are in the village's administrative area. There are **83 privately owned** and **41 municipally owned** agricultural land plots that still need to be acquired.

The Company has also envisioned measures to assist the persons who might be more severely impacted by the resettlement project. The vulnerability criteria have been established through the Land Acquisition and Resettlement Framework on the basis of which this document was developed. **The total number of vulnerable people in the community to be resettled is of 65**; they will be constantly consulted and will be provided with the most appropriate assistance during this process.

### **Compensation and property valuation**

The Bulgarian law states that all PAPs shall receive compensation for their properties prior to taking the properties into possession. However, it doesn't have provisions for compensating the deterioration of the owners' economic situation, loss of livelihoods or compensating informal dwellers or informal sources of livelihood. The Project will address these issues in order to comply with EBRD's Environmental and Social Policy (2014).

The Company offers cash compensation at full replacement value or in-kind compensation from MME's housing stock and reclaimed land, based on the valuation carried out by an independent licensed appraiser. Additional structures and the improvements/extensions made to them, immovable assets, as well as trees and perennial crops will be taken into consideration for the final price of the property and, in addition, the Company will provide transportation at the time of moving, within Stara Zagora district or at a distance of up to 100 km away from Beli bryag, to all PAPs.

The price of agricultural land varied from BGN 150 to BGN 1250 per dca, depending on the condition and category of the land, while the price per square metre for a property within the village varied between BGN 2 and BGN 10 per square metre during the period from 2010 to 2018. In the case of properties within the built-up area of the village, their price is determined by the characteristics of the construction and its condition, as well as market information about recent sales of similar properties in neighbouring municipalities. Thus, any negative impact on the village caused by the continuous expansion of the mines is not reflected in the evaluated price of the properties. The owners that are not satisfied with the result of the evaluation have the right to order a second appraise of their property, at their own expense.

### **Grievance mechanism**

If, at any time during the development of the Project, a Project Affected Person has queries, complaints, suggestions or requests, they can lodge a grievance to MME through telephone, fax, email or hard copy. The contact details for the officials responsible for grievance management will be disseminated at the monthly meetings with the villagers, through the Guide for Land Acquisition and Compensation, as well as posted at the Mayor Delegate's office. The grievance will be registered and taken over by the Grievance Committee, who will investigate the circumstances and will take the necessary steps to solve the problem. No matter if the Committee finds the grievance groundless or legitimate, a written response will be sent to the complainant.

### **Monitoring and reporting**

MME will monitor the RAP implementation until all displacement impacts have been mitigated and will continue for at least one year after compensations are provided for all PAPs and they are moved from the village.

An internal monitoring system will be established at MME, consisting of the following:

- Progress monitoring of inputs and outputs which measures whether inputs are delivered on schedule and as defined in the LARF and the RAP; and



- Periodic measurement of outcome indicators against baseline conditions, obtained through the socio-economic survey.

## 1. INTRODUCTION

### 1.1. Objectives and Scope of the Resettlement Action Plan

This Resettlement Action Plan (RAP) for the village of Beli bryag has been prepared and approved by Mines Maritsa East EAD (MME), with regard to the **Project for Replacement of Bucket-Wheel Excavators at Mines Maritsa East EAD** (the “Project”). It aims at setting out the principles for addressing the potential impacts of land acquisition within the Project, in compliance with:

- **The laws and regulations in force in the Republic of Bulgaria;**
- **The Environmental and Social Policy 2014** of the European Bank for Reconstruction and Development (EBRD), particularly Performance Requirement (PR) 5: *Land Acquisition, Involuntary Resettlement and Economic Displacement*.
- **The Land Acquisition and Resettlement Framework (LARF)** developed and approved by Mines Maritsa East EAD (MME) for this Project. The LARF was adopted and publicly disclosed in October 2016.

The present RAP is dedicated to the land acquisition process that is currently undergoing in the village of Beli bryag. The document was prepared by the “Management of European-Funded Projects” Unit of Investment Department at Mines Maritsa East EAD (MME), town of Radnevo. The RAP specifies the procedures to be followed by MME and the actions the Company will take to properly resettle and compensate affected people, communities and businesses. The document provides a description of the households and properties in the village of Beli bryag, which are or will be affected by land acquisition for Project’s needs.

**The main objectives** of this RAP are as follows:

- to minimize the negative effects of inhabitants’ displacement and resettlement;
- to mitigate the adverse social and economic impacts on the affected persons from land acquisition by providing compensation for loss of assets at full replacement cost and ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of the affected persons;
- to improve or, at a minimum, restore the livelihoods and standards of living of displaced persons to pre-Project levels, in order to ensure that no PAP is in a worse off situation;
- to establish organisational arrangements and procedures to monitor the implementation of resettlement plan and take corrective actions if necessary.

Since physical and economic displacement cannot be avoided, the inhabitants of Beli Byrag village are considered to be in a situation of involuntary resettlement. This is why the current RAP is aiming at defining the entitlements for each category of project affected persons (PAPs) and the most appropriate way of carrying out the resettlement process. Nevertheless, the provisions set up in this RAP can be complemented by additional measures, in case new PAP needs are identified along the process of RAP implementation.

### 1.2. Description and Context of the Project

**Mines Maritsa East EAD (MME)** - is the largest company for open-cast mining in the Republic of Bulgaria. Its operation has been performed for over a half of century and is considered to be of essential significance for the national energy balance, as well as for the economic prosperity of the region and the country in general. The Company’s main mission and goal is: energy independence through regular supply of coal for the thermal power plants in the region.

Following the closure and decommissioning of Units 1 - 4 of the Kozloduy Nuclear Power Plant in 2007, Maritza East complex became the centre of energy production in the Republic of Bulgaria with power generation capacity of more than 3300 MW. Reduction of power generated by Kozloduy Nuclear Power Plant after decommissioning of those 4 units requires increasing the production of lignite to ensure security of energy supply.

MME is 100% state owned company, which operates the largest lignite coalfield in Bulgaria, situated in the south-east of the country, in the area of the Gornotrakiyska lowland. The total area of the lignite coalfield is about 240 km<sup>2</sup>.

The Company was registered by Act of exclusive state property № 559/20.07.1999 by the Ministry of Regional Development and Public Works. MME is the largest company of this kind in Bulgaria, having a total production of lignite coal of more than 2 billion tonnes. The share of coal extracted amounts to 85% of the total national production and represents over 92% of lignite coal production.

The power generated within Maritza East Complex burning lignite excavated at Mines Maritza East EAD is equivalent to about 45% of the gross power production in Bulgaria. The generated electricity has relatively the lowest cost and high competitiveness, which outlines the extremely important significance of the extraction from “Maritsa East” coalfield for the energy balance and energy independence of the country. Providing of continuous coal mining is an important public need, as the energy independence is directly linked to the protection of national interests and the stability of Bulgarian economy.

MME is a concessionaire for mineral resources mining by virtue of Art. 2, item 4 of Subsurface Resources Act - solid fuels - coal, from the deposit of “Maritsa East” coalfield, municipalities of Radnevo and Galabovo, district of Stara Zagora. MME has signed the Concession Contract for coal extraction in this perimeter on 11.11.2005 which entered into force on 22.07.2008. The concession contract, defines the area of the deposit and the 35-year term of concession with an option to extension under the specified terms and conditions. (DECISION № 655 of Council of Ministers dated 13.07.2005 to award a concession for extraction of subsurface resources under Art. 2, item 4 of the Subsurface Resources Act - solid fuels - coal, from the deposit of “Maritsa East” coalfield, municipalities of Radnevo and Galabovo, district of Stara Zagora, promulgated in State Gazette, issue 61 dated 26.07.2005)<sup>2</sup>

The Company has three open-cast mines in operation: Troyanovo-1, Troyanovo-North and Troyanovo-3. They supply with lignite the thermal power plants in Maritza East Complex: TPP Maritza East 2 EAD, TPP Contour Global Maritza East 3 AD, TPP “AES – Galabovo” and Brikel EAD, including its briquette production.

The company is extending now its activities and the current RAP is related to the development of the project **for Replacement of Bucket-Wheel Excavators at Mines Maritza East EAD.**

The MME Project, co-financed by EBRD under the Grant Agreement 054, aims at increasing the performance and reducing the energy intensity through the replacement of three aged and obsolete bucket-wheel excavators by one more efficient new bucket-wheel excavator, as well as purchase of a new excavator for the secondary removal of 50 mln m<sup>3</sup> of overburden.

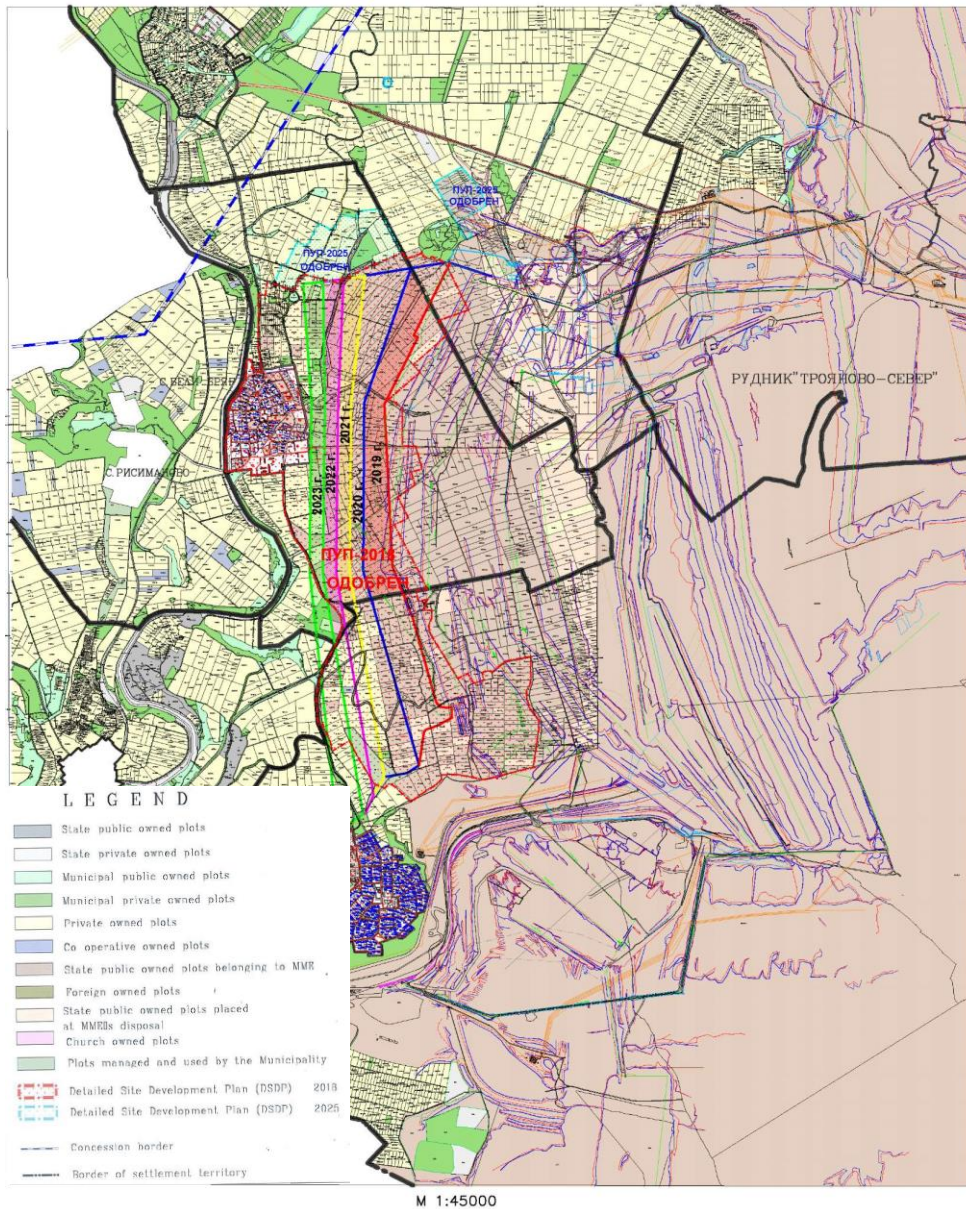
The expected Project benefits are decreasing of operational costs for coal mining, reduction of the number of breakdowns and the supply of primary energy resources related to them, as well as broadening of technical resources, decreasing of maintenance cost and consumption of electricity.

### ***The affected village – Beli bryag***

The coal-mining activity covers the territory of the villages situated nearby, affecting in some cases the agricultural lands near the villages only, and in other cases affecting totally the villages themselves. With the progress of mining activities, it is expected that the village of Beli bryag will be the first one to be affected.

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<sup>2</sup> Please refer to <http://www.nkr.government.bg/app?service=external/ConcessionInfo&sp=1252>



Map 1. Map of mining activities and location of the villages of Beli bryag and Troyanovo<sup>3</sup>

Beli bryag is situated in front of the wall of mining works of Troyanovo-North Mine, which is one of the main suppliers of coal for TPP “AES – Galabovo”. The three mines regularly supply coal to TPP “Maritsa-East 2” EAD, TPP “ContourGlobal Maritsa-East 3” AD and “Brikel” EAD as well. Without resettlement of this village, the development of the mine, respectively coal supply, will be impossible.

Specialized detailed development plans have been elaborated and approved for the settlements being or expected to be affected.

The gradual progression of mining activities requires the purchase of the properties of the inhabitants of Beli bryag and Troyanovo by MME and resettlement of people living there. Resettlement cannot be avoided, that is why efforts are made to complete this on a negotiated basis. So far, many households have sold their properties to MME and have moved to areas which will not be affected by mining activities. Thus during the years, MME assisted the resettlement process with all their capacities via: constant consultation with the villagers, providing compensations for all the affected properties and owners and support with transportation of goods of the persons who moved from the village.

<sup>3</sup> See also Attachment 1.

In 2009, MME acknowledged that the total number of affected properties in Beli bryag was:

- 112 properties with **residential structures** situated in the built-up area of the village (regulated land area). Out of these, **5 properties are municipal owned** and 1 belonging to MME. The remaining **106 properties are all privately owned**.

- 100 properties **without residential structures** situated in the built-up area of the village (regulated land area). Out of these **51 properties are owned by the municipality** and **49 are privately owned**.

- 291 agricultural land plots situated outside the built-up area (regulated land area). Out of these, **48 are owned by municipality** and 41 of them owned by MME (data from 2009). At the same time, a total number of **202 agricultural land plots were privately owned**.

The below timeline scheme presents the actions performed by MME with respect to **private land acquisition** process in Beli byrag, between 2009 and May 2017. Even though this RAP is only concerned with the land acquisition process from 2017 onwards, it is important to get a clear understanding of the land acquisition process from its early stage up to its current status.

**Total private properties to be purchased by MME in Beli Bryag:**

- **In the built-up area of the village (regulated land area):**
  - 106 with residential structures
  - 49 without residential structures
- **Outside the built-up area: 202 agricultural land plots**

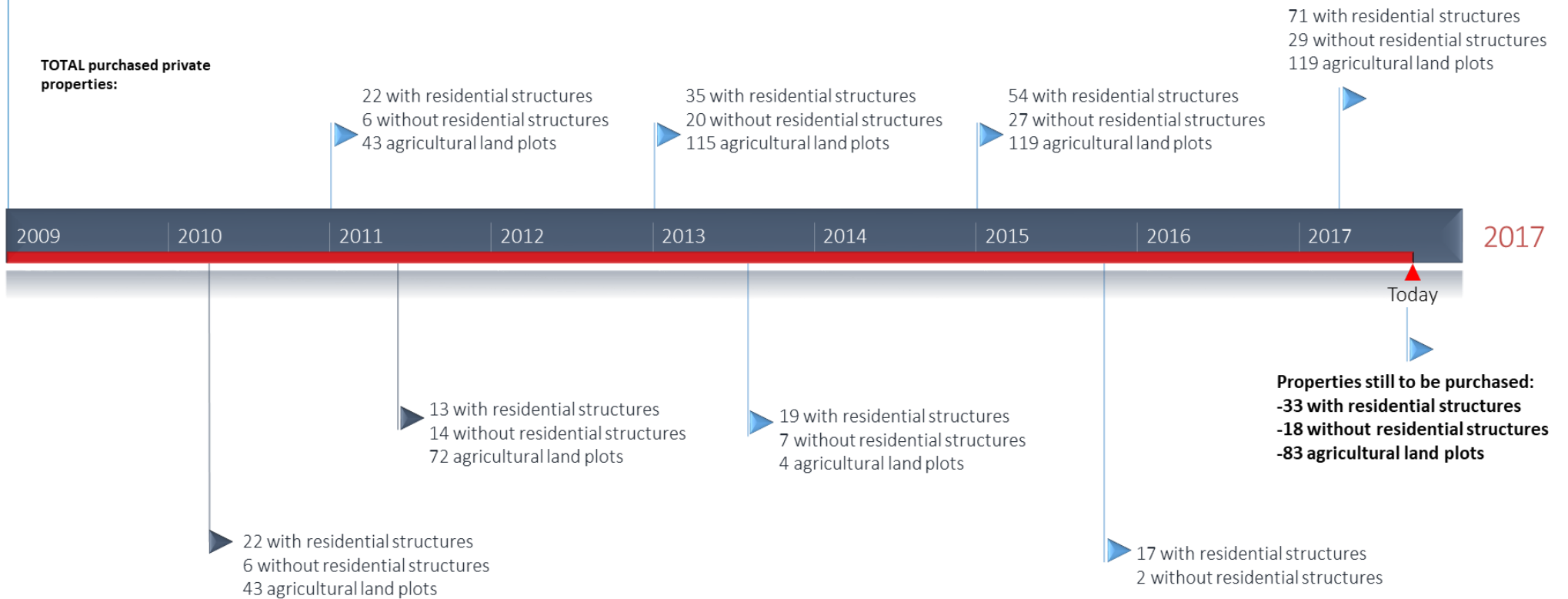


Figure 2. Timeline for private land acquisition

The status of the purchasing process for **municipal properties** is presented in the below table:

*Table 1. Status of the municipal properties acquisition*

Type of property	# of municipal properties		
	2009	Purchased by MME between 2009 – 2016	Still to be purchased
Land plots with residential structures in the built-up area (regulated land area)	5	0	5
Land plots without residential structures in the built-up area (regulated land area)	51	40	11
Agricultural land plots outside the built-up area	48	7	41

The current RAP will focus on describing the acquisition process of the remaining properties (both privately and municipally owned) in the Beli bryag village.

*Table 2. Status of the private properties acquisition*

Type of property	# of properties still to be purchased		
	Privately owned	Owned by Municipality	Total
Land plots with residential structures in the built-up area (regulated land area)	33	5	38
Land plot without residential structures in the built-up area (regulated land area)	18	11	29
Agricultural land plots outside the built-up area	83	41	124

As observed from the above information, the land acquisition process has been accomplished on a negotiated basis for about 64% of the total properties, both municipally and privately owned. Further details about the properties to be purchased are presented in chapter 4.

## 2. LEGAL FRAMEWORK

Up to now, the Company's land acquisition activity has been in full compliance with the legislation of the Republic of Bulgaria. According to Art. 17 of The Constitution of Bulgaria, property rights are guaranteed and protected by law, and "private property is inviolable" (3). „ Involuntary expropriation of property for state and municipal needs can be effected only on the basis of a law, provided that these needs cannot be met otherwise, and after preliminary payment of replacement value“<sup>4</sup> (5).

This legal framework analysis will highlight legislation that is used in the land acquisition process, be it through negotiated agreement or expropriation (physical displacement), as well as other legal acts that are used in defining compensation for economic displacement and transition assistance.

### 2.1. Legal framework for resettlement, according to Bulgarian legislation

The Bulgarian legislation is presented by listing and explaining the relevant legislative acts and norms, starting with those defining private property and national interest projects, continuing with those relevant

<sup>4</sup> <http://www.parliament.bg/bg/const>

to negotiated agreements and expropriation, those referring to access to information and public disclosure and covering other relevant topics such as social support.

***Underground Resources Law (SG no. 23/1999, with all its amendments)***- This law governs the terms and procedures for prospecting and exploration of underground resources on the territory of the Republic of Bulgaria, its continental shelf and the exclusive economic zone in the Black Sea. It stipulates that the underground resources are exclusively state property and, in order to carry out prospecting and exploration of said resources, a license needs to be issued by the Ministry of Energy and approved by the Council of Ministers. Extraction of underground resources can be carried out based on granted concession by the Council of Ministers at Ministry of Energy's proposal, for terms of up to 35 years.

The concession for extraction entitles the holder to undertake relevant and actual actions in order to reach an agreement with land and property owners in the granted area. If no agreement is reached, the matter can be solved by the Ministry of Energy, who may refer, depending on the nature of the situation, to either the Ministry of Finance or the Ministry of Regional Development and Public Works for compulsory expropriation of the private properties, after equivalent compensation is presented in advance.

The compensations shall be determined on the basis of the damages resulting from direct consequences caused by activities pertaining to the concession for extraction (art. 1, 3, 4, 5, 36, 74, 75 & 76).

***Energy Law (SG no. 107/2003, with all its amendments)***- The law includes provisions regarding expropriation of property for energy resources extraction purposes. It reiterates that the concessionaire will try to enter an agreement with the owners, but, if no agreement is achieved, the following steps should be followed:

- request to the Minister of Energy to take measures for compulsory expropriation of the properties; the request should include specific characterization of the properties as well as information about the owners.
- provide evidence that the properties are within the boundaries of the concessionary area and that they are necessary/obstructing to the accomplishing of the overall work plan.
- provide evidence that the concessionaire had proposed to the owners the option of purchasing the respective properties at a fair price and that the owners, tacitly or explicitly, rejected the offer.

Within one month, the Minister of Energy undertakes the compulsory expropriation of the properties for State purposes, at the expense of the concessionaire (art. 63a, 63b).

***The Concession Law (SG no.36/2006, with all its amendments)*** - Article 2 from this law provides a clear definition of concession, how it is granted and types of concession according to their object.

***The Spatial Development Law (SG no. 1/2001, with all its amendments)*** - The Spatial Development Act includes the terms of creating, approving and amending the development plans. It specifies who grants permission for drawing up the designs of detailed development plans for projects of national importance, what should be considered in these plans and how the detailed site development plans should be disclosed to the public prior to their approval by the municipal council (art. 124, 125, 127, 128).

***Ordinance on the procedure for determining agricultural lands prices*** - This Ordinance regulates the conditions and the order for setting agricultural land prices in determining the monetary amount of the compensation for land, the monetary equivalent of the agricultural land upon the purchase, sale, exchange or other transactions between the state and legal persons and the price of the land from the State Land Fund (art. 1, 2).

***Act on Preservation of Agricultural Land (SG no. 35/1996, with all its amendments)*** - The Law refers to the change in designation of the properties which are acquired for coal extraction and requires the concessionaires to carry out remediation activities, to bring the land to its previous state as much as possible.

***Forestry Act (SG no.19/2011, with all its amendments)***- The Forestry Act contains provisions on changing the purpose of forested land plots. To acquire private or state-owned land plots that are from the Forest Fund,

the concessionaire has to pay for compensatory afforestation and for change of purpose. Also, in order to receive approval for the Detailed Site Development Plans, a file with detailed information about the forested land plots needs to be submitted to the Ministry of Agriculture, Food and Forestry and agreed upon.

***Ownership and Use of Agricultural Land Act (SG no. 17/1991, with all its amendments)*** - The Act contains general provisions on the use of agricultural land and information about official bodies who deal with land ownership, such as Municipal Office for Agriculture. These offices register the rent contracts of the farmers and update databases with owner information.

***Regulations for implementation of the Municipal Property Act (SG no. 82/1996, with all its amendments)*** - The regulations provide specifications on the content of the files that need to be submitted regarding the change of purpose of agricultural land to non-agricultural, such as certificates for irrigation, periods of validity of decisions, etc.

***Ordinance on the Basic Prices of Perennial Crops*** - The ordinance provides guidance to evaluators, as it defines the basic prices of permanent crops in case of sale, exchange and other transactions, as well as alienation of immovable property owned by legal persons under the Property Act, the Territorial and Urban Development Act, the State Property Act and the Municipal Property Act. The assessment takes into consideration the period of existence of permanent crops, which includes the youth period and the period of exploitation (art. 1, 4).

***Cadastral and Property Register Act (SG no.34/2000, with all its amendments)*** - This law arranges the organization, funding, creation, administration and use of the cadastre and the property register. The cadastre aggregates and updates data on the location, boundaries and extent of immovable property within the territory of the Republic of Bulgaria. Any change in ownership or the cadastral map is entered into the Cadastre Agency (art.1 & 2).

***State Property Act (SG no. 44/1996, with all its amendments)***- The Act includes provisions on expropriation of property on behalf of public interest. Involuntary expropriation of properties and parts of properties belonging to physical or legal entities can be implemented in order to meet state needs which cannot be met by other means, after preliminary payment of replacement value. /Art.32, Para.1 of SPA/.

***Environmental Protection Law (SG no. 91/2002, with all its amendments)***- The Environmental Protection Act regulates the circumstances in which an Environmental Impact Assessment should be conducted. The need of conduct of EIA is evaluated taking into consideration the characteristics of the development proposals (such as size, area affected, use of natural resources, generation of waste, etc.) and the location of the investment proposal, which may have a negative environmental impact on some geographic areas (art. 93).

***Law for Social Support (SG no. 56/1998 with all its amendments)*** - The Law stipulates who is responsible for the development and coordination of state policy in the field of social support. It also provides the basis for the formation of an executive Agency for Social Support that will implement the state policy, prepare reports and overall coordinate other social agencies.

***Law for Protection of Personal Data (SG no. 1/2002, with all its amendments)***- The Law defines the legal boundaries for personal data use: when it can be processed, how to store it, how to inform the individuals, etc. (art. 2, 3, 4).

## 2.2. Company policy and procedures related to resettlement

The company has its own procedures in place which clearly define the necessary steps that need to be followed for the purchase of land and properties. These are mostly aligned with EBRD's PR5 and the Company is taking additional steps to address any gaps. The procedures are briefly described below.

### 1. Agricultural Land Acquisition Procedure.

The process of agricultural land acquisition is executed by the "Property" Unit within the Investment Department. The experts will prepare registers about the needed properties, which contain information



about the area, category, the way of permanent usage, as well as data about the owners, respectively the inheritors, their administrative and permanent addresses. An independent certified appraiser will elaborate a market evaluation of properties and the Board of Directors of MME shall receive and approve the market evaluations for land property acquisition and shall give its consent for the Executive Director to negotiate with the owners or authorized persons.

A notification letter will be sent to the owners which will state the willingness of the company to buy their land at the price defined by the certified appraiser, followed by negotiations, and, after agreeing on a price in written, the owners shall submit all the documents necessary for the deal (for more information see Attachment 5).

## **2. Land acquisition procedure for properties situated in the built-up area**

The procedure is carried out by the “Property” Unit within the Investment Department and it starts with a letter sent by MME to the owners expressing the need for purchase of their property. After the owners decide that they want to sell their property, within a period of one month they shall prepare and provide the necessary documents for the preparation of the assessment. After the evaluation is completed, a date for preliminary discussions with the property owners will be established, where the owners can express their agreement or disagreement with the price proposed. If the owner agrees, a preliminary contract for buying and selling the property is signed. In case of disagreement, the procedure is ceased with no binding provisions or consequences for the owner.

The owners are entitled to a grace period of two years in which they can use their former property after MME purchases it. After this period expires, the former owners can use the property against rent for a succession of periods up to three years each. More details on the procedure of acquiring properties in the built-up area, as well as renting properties from MME are provided in Attachment 6 of this document.

## **3. Change of use procedure for the purchased agricultural lands**

To initiate a change-of-use procedure, a mandatory condition is the availability of a Detailed Site Development Plan approved and in effect. The change-of-use procedure comprises 2 stages – choosing a site and change of its use, both initiated and carried out by the “Property” Unit within the Investment Department. Following an application prepared by the owner/site investor, the Regional Governor will submit a proposal to the Commission for Agricultural Lands, in compliance with Art. 17, Para. 1 and Art. 19 of Law for Protection of Agricultural Lands (LPAL). The Commission will discuss the proposal and issue a Decision for change of the use of agricultural lands, which will also indicate the payable amount for the whole area or respective stage. The Decision comes into effect after the fee for the property is paid (for further details see Attachment 7).

## **4. Expropriation Procedure**

The availability of public/government need shall be established by an effective Detailed Site Development Plan (DSDP), stipulating the building of a site in order to meet a state need, or a site of national significance /Art. 33, Para.2 of SPA/. Approving of the Detailed Site Development Plans is based on the Law on Spatial Planning and other specialized regulations.

The determination of equivalent cash compensation for the owners of affected properties is done in accordance with property intended use before the DSDP becomes effective, based on the market prices of properties having similar characteristics and situated in proximity of the expropriated one. (Art. 32, Para. 2 of SPA).

The expropriation process starts with a motivated request to the Minister of Energy, who undertakes actions towards expropriation under the State Property Act. The request shall be accompanied by proves that the concessioner has offered the owner to purchase their property at a price no lower than the valuation defined under the above mentioned order, and the owner, tacitly or explicitly, has rejected it within a month. Therefore, the voluntary way to settle arrangements with owners through sale-purchase deals is encouraged. The expropriation process finishes with an Order by the District Governor of Stara

Zagora, which indicates the public/government need which requires the expropriation of the property, the type, location, size and price of the compensation, the trade bank where the compensation for the entitled will be deposited. The Order is subject to appeal before the Administrative Court at the location of the property within 14 days of its notification. (Art.38, Para.2 of SPA). The expropriated properties become state-owned. They are placed at Company's disposal as belonging to the concession by an Act – Decision of the Council of Ministers.

#### **Informing:**

In accordance with Art. 34a, Para.3 of SPA, the District Governor, at the investor's expense, shall publish an announcement in two central and one local daily newspaper, by which it is proclaimed that an expropriation procedure has been started, sending copies of this announcement to the mayors of municipalities, regions and town councils on whose territory the private properties subject to expropriation are located.

#### **Appeal procedure:**

The law allows that the parties affected by expropriation can appeal the Acts of the State Administration from the very beginning of the process – from the preparation of the Detailed Site Development Plans to the Order by the District Governor before the Court (see above). The size of the compensation can be changed on the grounds of the Court Decision.

More details about the expropriation procedure can be found in Attachment 8 of this document.

Other rules and procedures related to the actions in Beli bryag are decided at MME's Board of Directors meetings. An overview of the latest decisions is presented below.

1. **Protocol No. 16-2007 / 06.12.2007, item 3.2** – Decision of MME Board of Directors to determine the maximum purchase prices for the acquisition of agricultural land plots.
2. **Protocol No. 21-2016 / 10.09.2016, item 3.6** – Decision to provide an option to former owners to use their residential properties purchased by MME in the village of Beli bryag free of charge for a period of 24 months (grace period) after transfer of ownership. The grace period gradually increased from 3 months in 2009 to 6 in 2010 and ultimately 24 months in 2016.
3. **Protocol No. 13-2017 / 31.05.2017, item 3.2** – Decision of the Board that mandates MME to send letters to the owners expressing the need for purchase of their properties (RLPs). The owners shall provide the necessary documents for the preparation of the assessment within a period of one month after they made a decision to sell the property.
4. **Protocol No. 13-2017 / 31.05.2017, item 3.2** – Decision that states that the properties can be evaluated by two valuers. MME will use the services of its previous assessor, Stroyproject TD. Each owner can order a parallel valuation under the following conditions:
  - 1) the appraiser selected by him / her is licensed;
  - 2) the second valuation to be at the expense of the owner.

In case the licensed appraiser chosen by the owner gives a higher valuation of the property, MME keeps the valuation prepared by the licensed appraiser selected on the basis of the Public Procurement Act. MME has no legal basis to allow another valuation to be considered, therefore another, higher acquisition value of the RLP can not be accepted as it exceeds the market value determined by the licensed appraiser whose services are used by MME - Article 42, Paragraph 2, third sentence of the "Rules for the procedure, terms and procedure for decision making by the Board of Directors of Bulgarian Energy Holding EAD for the granting of permits, approvals or agreements, exercising the right of a sole owner of the capital and the decisive factor in areas within the competence of the General Meeting of the subsidiaries".

If agreement is not reached on the basis of the second valuation, the owner is entitled to file a complaint with the Committee of Professional Ethics of the Chamber of Independent Assessors in Bulgaria (KNOB), which will trigger the procedure provided in their regulation (described in Chapter VI, Opposition of assessment under the Licensed Appraisers Act). MME, as well as the licensed appraiser whose services the

Company uses, will take the necessary measures, depending on the decision of the above mentioned Commission.

If the valuation prepared by the licensed appraiser whose services are used by MME is higher than that of the valuator chosen by the owner, and if the owner wishes to conclude a transaction, the procedure for acquiring property gets underway.

5. **Protocol No. 13-2017 / 31.05.2017, item 3.2.** – In order to preserve the livelihood of the people, the Board of Directors decided that, if the land subject to acquisition by MME in the future, which is not yet in the front of the mining works, shall be still processed by the local cooperative (ACPS) and the respective rent, shares, dividends and production will be received by the former owner.

In cases where the land acquired by MME is directly in front of the mine work, MME will pay the former owner the value of the production for one year on the basis of documents proving such income from the previous year.

6. **Protocol No. 13-2017 / 31.05.2017, item 3.2** – Decision that sets the framework for MME to reimburse/pay the funeral expenses, according to Section VI - Grave Fees from the Ordinance on the Designation and Administration of Local Taxes and Prices of Services on the Territory of the Municipality of Radnevo, to the relatives of the deceased in the amount of up to BGN 200. Within ten days from their issuance date, the supporting evidence for the expenses must be submitted to MME.
7. **Protocol No. 01-2018 / 12.01.2018, item 3.4** – Decision of the Board to:
  - a. include the costs of transactions associated with the acquisition of a new property by the PAPs in the amount of the compensations, under certain terms, in respect to the “full replacement value” principle. The transaction costs will be reimbursed after the acquisition of the new property, at the owner’s request;
  - b. include available apartments owned by the Company in Radnevo and Galabovo in the list of properties offered as “like for like” compensation;
  - c. terminate the process of property purchase in Beli bryag by the end of 2019. This has been decided in order to avoid having PAPs living in the degraded village, which cannot longer sustain a good quality of life. After this period, the expropriation procedure will start for all the remaining PAPs.
  - d. Increase the grace period with one additional year (i.e. grace period of three years) for PAPs falling in the vulnerable group category. The persons have to submit a request for the extension of the grace period;
  - e. Give the vulnerable PAPs who are using their former properties as tenants the option to apply for a reconsideration of the amount of rent payments;
  - f. Offer enrolment in trainings and qualification courses organized by MME to people who need employment, thus enabling them to be more successful in finding a job at the Company.

### **2.3. EBRD Policy Framework regarding land acquisition, involuntary resettlement and economic displacement**

EBRD requirements pertaining to land acquisition and displacement, relevant for this Project can be summarised as follows:

- measures to mitigate adverse impacts on displaced persons and host communities should be carefully planned and implemented;
- to mitigate adverse social and economic impacts from land acquisition by: (i) Providing compensation for loss of assets at full replacement cost calculated as the market value of the assets plus the related transaction costs; and (ii) Ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected;

- to restore or, where possible, improve the livelihoods and standards of living of displaced persons, including those who have no legally recognisable rights or claims to the land (present in the project affected area at the time of the cut-off date), to pre-project levels and support them during the transition period;
- to make special provisions for assisting disadvantaged or vulnerable individuals or groups (present in the project affected area at the time of the cut-off date) that may be more adversely affected by displacement than others and who may be limited in their ability to claim or take advantage of livelihood assistance and related development benefits;
- to establish a grievance mechanism to receive and address in a timely fashion specific concerns about compensation and relocation that are raised by displaced persons, including a recourse mechanism designed to resolve disputes in an impartial manner.

The above list is only a summary of the main EBRD PR 5: Land Acquisition, Involuntary resettlement & Economic Displacement (2014) requirements and the full text of the Policy and PR5 can be found at <http://www.ebrd.com/news/publications/policies/environmental-and-social-policy-esp.html>.

#### **2.4. Gap analysis between EBRD Requirements and Bulgarian legislation and solutions offered**

The main gaps between local legislation and EBRD requirements are specified in Table 3 as follows:

Table 3: Main gaps between local legislation and EBRD requirements

<i>Analysed aspect</i>	<i>Requirements according to Bulgarian legislation</i>	<i>EBRD Requirements</i>	<i>Gap</i>	<i>Measures to solve the gaps</i>
Resettlement planning	Land acquisition or expropriation shall be carried out in compliance with the State Property Act, with regard to the Company's rights in its capacity of a concessioner and based on internal procedures.	A socio-economic census of the residents affected by resettlement shall be carried out. Resettlement Action Plan shall be prepared and implemented.	No official RAP is required to be developed for resettlement situations.	The present RAP has been developed.
Cut-off date	No cut-off date is defined. Each owner shall be subject to compensation, regardless the date of acquisition of the property.  Other assistance, related to the persons who are not owners, is not provided.	A cut-off date shall be defined and published with the RAP, to provide clarity on eligibility for compensation and assistance.  Individuals who settle on the affected territory after the cut-off date will not be eligible to compensation or other assistance.	Cut-off date was not required by Bulgarian Law.	After the socio-economic survey carried out among the residents of the village of Beli bryag, the cut-off date was published, after which each informal inhabitant/ user and/or squatter will not be eligible to compensation or assistance.
Provision of accommodation for persons who are occupying a residential structure informally (informal dwellers)	They are not subject to additional care. They are only paid for the assets they have (if any).	Persons who have no recognisable legal right or claim to the land they occupy are considered displaced persons and are entitled to compensation (para.18 of PR5). Informal dwellers shall also be considered as vulnerable persons and care shall be taken of them with regards to arranging of housing.	No entitlements related to loss of accommodations for informal dwellers.	Same compensation as for formal owners.  The compensation package could include additional measure if the informal dwellers are considered vulnerable.

<i>Analysed aspect</i>	<i>Requirements according to Bulgarian legislation</i>	<i>EBRD Requirements</i>	<i>Gap</i>	<i>Measures to solve the gaps</i>
Valuation methodology for land, houses and assets.	The compensation shall be determined based on market prices of properties of similar type and intended use.	The full replacement cost of the property price shall be paid and the livelihood shall be restored.	The valuation process is not considering the full replacement costs of the property.	<p>The evaluation methodology is based on two methods that are used simultaneously:</p> <p>Method 1: Assessment of costs incurred by the purchasing or building of a structure other than residential, minus depreciation</p> <p>Method 2: The sales comparison based on comparable sales on the market.</p> <p>The evaluation methodology has to be communicated to the PAPs.</p> <p>In cases of lost or impaired income, the Company is able to provide for agricultural use part of the land properties which are reclaimed and suitable for cultivation of major crops, in order to preserve the livelihood.</p> <p>In addition, the compensation paid to the owners for the properties acquired by MME will include the costs of transactions associated with the acquisition of a new property by the PAPs<sup>5</sup>. This will be reimbursed at</p>

<sup>5</sup> There are two conditions that need to be fulfilled in order to receive the transaction costs for buying a new property: first, the Company will pay full notarial fees for a property of a value which doesn't exceed the compensation received by the PAP for the previous property. If the new property is purchased at a higher price than the compensation received, the difference in notarial fees will be borne by the owner. Secondly, in order to avoid fraud and to keep a better track of the process, the Company will pay the transaction costs only if the new property is purchased within one year after the PAP has sold its previous property to MME.

<i>Analysed aspect</i>	<i>Requirements according to Bulgarian legislation</i>	<i>EBRD Requirements</i>	<i>Gap</i>	<i>Measures to solve the gaps</i>
				the owner's request, after the acquisition of the new property.
Vulnerable groups affected by displacement (such as squatters)	No specific requirements are foreseen in the legislation;	Additional measures are necessary for assuring that vulnerable persons are able to receive the same type of compensations as all the other affected persons.	Lack of clear definition of project vulnerable persons and measures for supporting them during the resettlement process.	Vulnerable persons have been identified during the socio-economic survey and included in this RAP. The Company will support such persons in the following ways: free transport for the displacement; moving of possessions of disabled persons or ones with motion difficulties; assistance in finding of alternative property – apartment or house in a settlement, near the affected persons' relatives; free legal assistance; 3 years grace period at request; possibility to renegotiate the rent payments under their tenancy contracts if they use their former properties as tenants;(Please refer to item 4.2.4. <i>Vulnerable persons and groups</i> and item 6.3. <i>Entitlement Matrix</i> below).
Additional support for affected people	There are no specific requirements	Provision of assistance during resettlement process.	Providing support to affected persons when moving their assets, legal counselling, other benefits necessary	Providing of assistance during displacement or providing of allowance for the displacement costs; free use of the property /house/ for 2 years after purchase, which will give people enough time to find alternative housing; providing the opportunity to rent the same

<i>Analysed aspect</i>	<i>Requirements according to Bulgarian legislation</i>	<i>EBRD Requirements</i>	<i>Gap</i>	<i>Measures to solve the gaps</i>
			for restoring livelihood.	property at 50% of the market value for former workers/employees of MME, now retired.
Grievance mechanism related to acquisition and resettlement	According to BG legislation, all grievances should be addressed to the project developer and if not sorted out, to competent court of law for settling the disputes.	Grievance mechanism shall be developed at project level.	There is no grievance mechanism developed at project level.	The current RAP is foreseeing to cover this gap.
Monitoring of acquisition and resettlement implementation	There are no specific requirements.	A procedure of monitoring of acquisition and resettlement shall be introduced with the RAP.	Clear monitoring and reporting mechanism has to be developed at project level.	The current RAP foresees to cover this gap.



### 3. SOCIO-ECONOMIC BASELINE INFORMATION

The socio-economic baseline information was collected in 2016 via a socio-economic census, carried out in January – February 2016 among the residents and farmers of the village of Beli bryag, identified as affected by the resettlement. All the 69 households that were living in the village at the time or possessing properties there have been questioned. The analysis of the data gathered through the census, as well as preparation of the Social Impact Assessment, were assigned to the Union of Scientists – Stara Zagora. The questionnaire form is available in Attachment 2, and the filled forms, after processing the data by the external consultant and preparation of the analysis and Social Impact Assessment, are kept at MME. Also, secondary information has been collected from local sources such as: Radnevo Municipality; Geodesy, Cartography and Cadastre Service; Regional Health Inspection – Stara Zagora. The information presented below is taken from the 2016 socio-economic census and it is tailored to present the current situation in Beli bryag. Even though avoided as much as possible, discrepancies in the data have come up because the land acquisition process is dynamic and its status changes frequently in a short period of time. The current RAP includes data updated as of end of August 2017. Still, during the RAP implementation phase a database will be kept and all the data will be constantly updated and reflected in the monitoring and reporting process.

#### 3.1. Profile of the village of Beli bryag

The village of Beli bryag is situated in the area, often called "energy heart" of Bulgaria. It is located on the territory of Stara Zagora District, Radnevo Municipality, in the very centre of the Maritza East Coalfield and near the border between "Trojanovo-1" and "Trojanovo-North" mines. The village is situated in front of mining works carried out in "Trojanovo-North" mine. By the end of 2015, the high overburden horizons of "Trojanovo-North" mine were about 800 m away from the village of Beli bryag.

Geographical coordinates - 42.23765 north latitude, 25.94027 east longitude.

Altitude - 109 metres above sea level.



Map 2. Location of the village of Beli bryag and the west wall of "Trojanovo-North" Mine

## 3.2. Socio-economic census results

The census was conducted by applying a semi-standardized interview "face to face" aiming at outlining the social and economic profile of households and the settlement, which comprises the demographic structure, structure of employment, detailed data about the affected households in terms of their vulnerability, their health and property status etc.

Qualitative data was also collected during the census, in the form of an informal interview. This gave the residents the opportunity to express their views on their upcoming resettlement more completely, to specify their needs and corresponding attitudes and intentions, and to state more clearly their expectations and demands. Details about the residents' perception of the resettlement process and their expressed needs are presented in sub-chapter 3.2.6. of current report.

Other information was also collected during:

- Joint meetings between MME management and the residents held on 27<sup>th</sup> of July 2016, 1<sup>st</sup> of March 2017 and 19<sup>th</sup> October 2017. All the meetings were attended by approximately 50-60 people, with a balanced share of men and women.
- Monthly meetings at the reception hall. There have been seven meetings up to now and about 15-20 people attended each one, mostly men.
- Participation of residents in the process of RAP development – directly or through the village Initiative Committee (IC) – during the meetings held between the IC and MME representatives, as well as during the period of familiarizing of the Draft RAP and its discussion among the residents.
- Letters, requests and grievances submitted by the residents to MME.
- Personal meetings and conversations of MME staff with residents on subjects like valuation, purchase and sale deals, etc. These take place several times a week, while telephone calls are held almost daily. One-to-one meetings with all villagers were also carried out in November 2017 and will be carried out from time to time in order to update the available database and to timely respond to residents' emerging needs by the Company.

MME is committed to taking into consideration residents' input throughout the resettlement process. Thus, qualitative data about resettlement process will continue to be collected during the RAP implementation process.

### 3.2.1. Demographic Profile

The village of Beli bryag is considered as a small settlement according to the national clustering system. An active process of depopulation is running in the village, due to an existing aging population, low levels of population dynamics and reduced number of new-borns.

Years ago, the village had about 500 inhabitants, a large number of them employed and making a living in gypsum production, agriculture and coal mining. Later, resulting from geological studies, it was found that at relatively shallow depth under the village there were also significant deposits of coal, which MME intended to acquire. This fact resulted in a decision made at governmental level that the village shall be resettled in order to expand the area of mining activities in defence of strategic state interests and ensuring the energy independence of the country. Although the final official decision of allocation of land to MME dates back to 2005, the residents of the village of Beli bryag have had the information about the resettlement since 1978. Also in 2005, the Technical and economic report on development of Maritza East Coalfield was accepted by a decision of the Council of Ministers. Back then, seven villages were declared to be resettled, including Beli bryag.

In compliance with the legal requirements, Detailed Site Development Plans were elaborated for the territories of the villages of Beli bryag and Troyanovo. They were disclosed and public discussion was organized on 18 March 2010.

In this way, the clearly outlined **public interest** compelled a number of villagers to change their life trajectory and seek opportunities to move elsewhere. As a result, the village of Beli bryag has gradually turned into a

village with so-called "declining functions", which has determined a considerable outflow of residents. During the past decades, the number of its inhabitants has been decreasing rapidly. The intensive resettlement started in 2009. At the time, Beli bryag residents had to travel to Radnevo for health care services and food supplies, as the last businesses had already closed and there were no health care clinics in the village. Currently, the village is almost depopulated. Many of residents have already sold their houses and have moved to the near villages and the town of Radnevo. The municipality has kept providing utilities (electricity, waste collection services, etc.) for the remaining villagers and stated that it will continue to do so until the land acquisition process is completed.

In 2016, when the socio-economic census was done, the total number of official registered residents of Beli bryag was 148. At the time of developing this document, **116 people are living in the village**, out of which **74 are permanent residents**, **8 are seasonal residents** and **34 persons** are living there as **tenants of MME** properties. These residents comprise **49 households**. Thus the number of households has decreased from 69 in February 2016 to 49 at the time of writing this report.

Table 4. Residents of Beli bryag

Permanent residents	Seasonal residents	Tenants of MME	Total
74	8	34	116
28 households	3 households	18 households	49 households

In addition to the 49 households there are 4 more households that have sold their properties to MME, benefit from the grace period, but do not live in the village anymore. Their residential properties are in the process of demolition. These four households are not accounted for in the presented data.

The **gender distribution** in Beli bryag village is fairly balanced, with 61 male residents – 53%, and 55 female residents – 47%, out of 116 people.

Table 5. Gender distribution of residents in Beli bryag

	Permanent residents	Seasonal residents	Tenants of MME	Total	% out of 116
Male	39	4	18	61	53%
Female	35	4	16	55	47%

There are no gender issues identified at the level of compensation methodology, as the Company has a non discriminatory policy and these issues are also safe-guarded by the Bulgarian Law for Protection Against Discrimination (No. 30/2006). No gender related complaints were recorded on behalf of the residents of Beli bryag up to now.

The **age structure** is similar to the typical one for the rural habitats in the country - the share of residents aged 60 and over is high – more than 65 people, and only 4 are children under 18. Three of the permanently residing 28 households have small children.

In terms of the **ethnic composition**, a clear trend towards prevalence of representatives of the predominant - Bulgarian ethnicity is seen. Other minority ethnic communities are represented by only one Roma household consisting of 5 members. It could be said that ethnically, the population of the village is homogeneous - 96% of residents are of ethnic Bulgarian origin and 4% - Roma (one household). As far as the Roma household is concerned, this case indicates the ethnicization of the problem of poverty in the country. In fact, all the household members are not permanently employed (two of them have temporary employment), therefore the level of the household income is below the poverty line, and the social status of its members is very low. The family are newcomers and do not own property in the village. According to available information covering the previous period, the number of Roma in the village has never been very

big, but the resettlement process activated recently has obviously also affected the number of members of Roma minority.

### 3.2.2. Properties in the built-up area (regulated land area) of the village of Beli bryag – residential structures, other structures and yard plots

Out of the 101 properties surveyed (yard plots, with or without structures on them) in 2016, 91 properties are still relevant at the time of developing this document. 16 properties belong to the municipality of Radnevo, 20 properties belong to MME and are used by their former owners on a tenancy basis and 55 are private properties. Out of the 55 private properties, 4 belong to the local agricultural cooperative.

Table 6. Properties in the built-up area

	MME properties	Private properties	Municipal properties
Land plots	1	18	11
Structures	19	33	5
<b>Total</b>	<b>20</b>	<b>51</b>	<b>16</b>

**20 properties belonging to MME** are currently in use by their former owners based on a tenancy agreement. On 19 of these properties there are houses and other structures as well and one property consists of an empty land plot. Only one of the houses is seasonally used. The below table presents detailed information about these properties.

Table 7. Properties belonging to MME that are currently rented

Utilization	Material	Number of floors
18 – in use	16 – brick	1 floor – 9
		1.5 floors – 1
		2 floors – 6
	2 – brick + sun-dried brick	1.5 floors – 2
1 – seasonally used	1 – brick	2 floors – 1

The below table presents an overview of the **55 private properties that are still to be acquired by MME**.

Table 8. Private Properties in the built-up area of the Beli bryag<sup>6</sup>village

OWNERSHIP	TYPE OF PROPERTY	Other details
Private – 55 properties	yard plots – 18	8 – used for agriculture
		10 – not used
	houses + yard – 33	28 houses – permanently inhabited, the yard is used for agriculture;
		3 houses + yards – used seasonally;
		2 houses + yards – uninhabited;
3 structures	Structures used by ACPS. All are situated on land owned by Radnevo Municipality	
1 structure + yard	ACPS Administration	

**Private properties** are both residential structures with/without yard around it and land plots that are separate from these structures, but in the built-up area of the village. In this context, the private properties of Beli bryag village in 2017 are as follows:

<sup>6</sup> A summarized diagram of property ownership (for RLPs) in the village of Beli bryag is available in Attachment 4. A list of households and types of their rights on properties is available in Attachment 3.

- 28 house + yard properties are owned and used by permanent residents.
- 3 house + yard properties are owned and used seasonally by residents
- 2 house + yard properties are owned by non-residents and are uninhabited.

The *private structures* are detailed in the below table.

Table 9. Private residential and non-residential structures

Types of structures	Ownership	Utilization	Material	Number of floors
Residential - 33	private - 33	28 – in use	24 - brick	1 floor - 9
				1.5 floors – 5
				2 floors - 10
			4 – brick + sun-dried brick	1 floor – 1
		1.5 floors - 1		
		2 floors - 2		
		3 – seasonally used	3 – brick	1 floor - 1
1.5 floors – 1				
2 floors - 1				
2 – not in use	1 – brick	1 floor - 2		
			1 – sun-dried brick	
<b>TOTAL:</b>		<b>28 – in use 3 – seasonally used 2 – not in use</b>	<b>28 – brick 4 – brick + sun-dried brick 1 – sun-dried brick</b>	<b>1 floor – 13 1.5 floors – 7 2 floors – 13</b>
Non-residential	private	garages – 23		
		sheds – 6		
		summer kitchen – 7		
		storehouses – 23		
		agricultural structures – 8		
		barns – 29		
		other structures - 12		
Administrative	Owned by ACPS - 4	1 administrative structure 3 operational structures		

There is a total number of 13 houses with one floor and 13 houses with two floors. 7 out of the total houses have 1.5 floors and the living area ranges from 50 m<sup>2</sup> to 200 m<sup>2</sup>, with an average of 91 m<sup>2</sup>. Most of the residential structures are made of brick, with only one structure made of sun-dried brick and 4 structures made out of a mixture of those two.

Beside the residential structures existing on the land plots, there are also additional structures that need to be taken into consideration. Almost all properties have some sort of agricultural structure, such as storage, barn or shed. 23 of the properties have a garage, 7 of them have a summer kitchen and 12 properties have other diverse structures, such as barbecue places, livestock shelters, extensions, etc.

The coming sub-chapter will present details about affected households and their livelihood.

The villagers are shareholders of the **Agricultural Cooperative for Production and Services (ACPS) “Beli bryag”**. It was founded in 1993 by 345 members. The cooperative has a total number of 4 administrative structures in the village. 3 of them are situated on land owned by Radnevo Municipality.

The below graph presents the current status of *ownership of private land plots with residential structures* in Beli bryag.

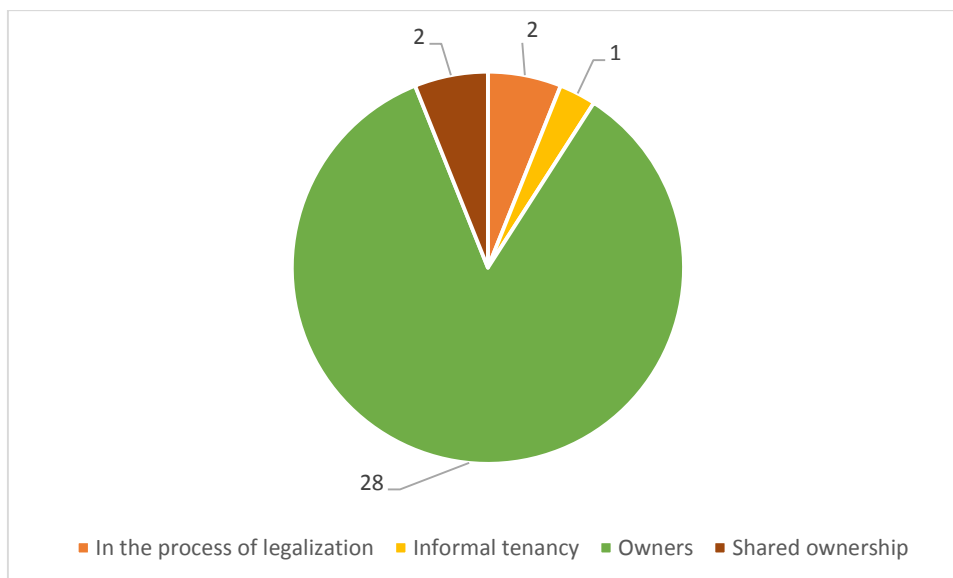


Figure 3. Structure of ownership of residential properties in Beli bryag

As shown above, the structure of ownership for the 33 land plots with residential structures has the following characteristics:

- 26 are formally owned by residents of Beli bryag and another 2 are owned by non-residents;
- 2 land plots with residential structures belong to people who share ownership for them;
- 2 persons are in the process of legalizing the ownership for 2 land plots with residential structures;
- There is a case of informal tenancy for one of the residential structures;

Beside the land plots with residential structures, there are also **private land plots situated in the built-up area without structures on them**. There are 18 such private land plots, 9 of them are owned by residents and 9 by non-residents of the village. At the same time, 8 of them are used and 10 are not used. The total area of the land plots without residential structures is 31,340 m<sup>2</sup>.

Most of the households used their yard plots to grow vegetables, grapes (vineyards and trellis vines), various fruit trees. The only exception is one household using their property to grow fodder for their own livestock. In some cases, raising small domestic animals is mentioned.

Table 10. Type of usage of land plots around households in the village of Beli bryag

Fruit trees	26 yards with houses
	10 land plots
Vineyards / trellis vines	19 yards with houses
	1 land plot
Vegetables	26 yards with houses
	5 land plots

Most of the households perceive the yard situated around their houses as a source of income or source of food for their own consumption.

The oldest residential structure was built in 1930, and is still in use. The second oldest are two structures built in 1932, both unoccupied at the moment. The majority of the buildings were built in the period 1940 – 1967. The newest structure dates back to 2002.

Living conditions in housings are determined by availability of kitchen, bathroom, indoor toilet, balcony, landline telephone, availability of connection to the water supply network and/or pumping station, connection to sewer system (or in the absence of such - a septic tank), connection to power supply network.

Only two of the cottages have no power supply. There is no sewer system built in the village. Most cottages (excluding one) have septic tank for waste water. Most of the dwellings have a kitchen available; less than the half have a bathroom, and less than a quarter have an indoor toilet. Almost 100% of the households have mobile phones.

Based on this data it can be concluded that the living conditions are not of good quality. There are some minimum conditions for habitation, but the quality of most homes is not very good.

*Table 11. Municipal owned properties*

Municipal – 16 properties	6 yard plots	Radnevo municipality
	1 transformer station	Radnevo municipality
	1 square	Radnevo municipality
	2 yard plots	Radnevo municipality, used by ACPS
	1 plot with granted right to build	Radnevo municipality, used by an individual agriculture
	1 yard plot	Of Mayor Delegate’s office in Beli bryag
	2 structures	Mayor Delegate’s office, library situated on land owned by Radnevo Municipality - square
	2 other RLP’s	Radnevo municipality

Apart from the private-owned structures, there are two administration buildings in the village owned by the Mayor Delegate’s Office of Beli bryag, one of them being used as an office of the Mayor Delegate and houses a small library. The other building is currently not used.

All the documentation – registers, school and church documents, those of the cooperative enterprise etc. will be kept in the town of Radnevo and, regardless future place of living of people, each one will be able to make inquiries and find the necessary documents at one place.

Currently, there is no medical centre in operation in the village, so the residents use the medical centres and hospital and are serviced by medical personnel in the town of Radnevo.

### 3.2.3. Affected households

A total number of 69 households have been included in the census in 2016. At the time of developing this document, there are 2 residential structures owned by 2 households and 9 land plots owned by 9 households who do not live in the village. There are **45 households**, with a total number of **107 members**, that live permanently in the village and another **4 households**, comprising **9 members**, that live there seasonally. Out of the permanent residing households, **17 are tenants** of MME properties, **one household** constitutes a case of informal tenancy and **27 households** are owners or share ownership of residential properties. **2 households** possess two land plots each and one of these households shares the ownership of a third land plot. Another **5 households** own an empty land plot each (Please refer to Attachment 3: *List of households included in the socio-economic survey*, containing all households currently living and/or possessing properties in the village of Beli bryag, as well as Attachment 4: *Diagram of ownership in the village of Beli bryag*).

Of all 49 households that are inhabited permanently or seasonally, 5 consist of only one member. The biggest household consists of 8 members. Table 12 below presents more detailed information regarding the households and their members, as of end 2017.

Table 12. Affected households<sup>7</sup>:

Number of households	Status	Using of the residential property	Number of members in households	Total number of persons	Persons in total:	
49	32 – owners	27 – living there permanently	1 member – 5 households	5	69	
			2 members – 11 households	22		
			3 members – 6 households	18		
			4 members – 4 households	16		
			8 members – 1 household	8		
		3 – using the house seasonally <sup>8</sup>	2 members – 2 households	4		8
			4 members – 1 household	4		
		2 – do not live in the village, houses are uninhabited				
		18 – tenants – (the house was sold to MME)	17 – living there permanently ( <b>1 household uses 2 cottages</b> )	1 member – 6 households		6
	2 members – 6 households			12		
	3 members – 5 households			15		
	1 – using the house seasonally		1 member – 1 households	1	1	
1 – informal tenants in a private home	1 – living there permanently	5 members – 1 household	5	5		
TOTAL:		<b>45 households – living there permanently</b>	1 member – 12 households 2 members – 19 households 3 members – 11 households 4 members – 5 households 5 members – 1 household 8 members – 1 household		107 persons – living there permanently	
		<b>4 households – living there seasonally</b>			9 persons – using the houses temporarily	
					<b>116</b>	

<sup>7</sup> A detailed list of the households, as well as their relation to the properties (type of ownership on the property) is available in Attachment 3: *List of households included in the socio-economic survey*

<sup>8</sup> All households using their properties temporarily, not using the cottages or possessing yard plots only, possess a home in another settlement.



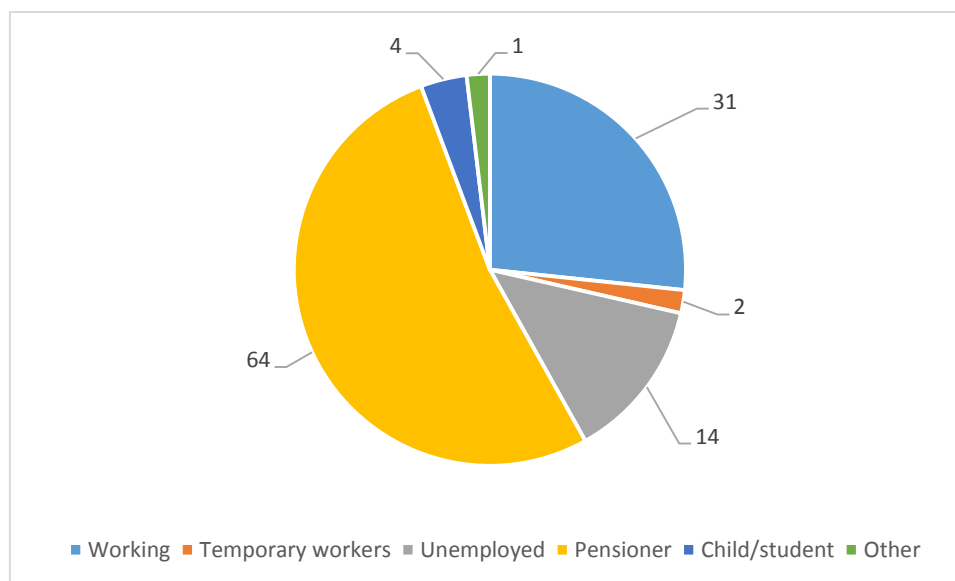
<b>Financial status</b>		income under BGN 300 per person per month	19 households (55 persons in total)
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<b>Health status<sup>9</sup></b>		persons with physical or mental disabilities	8 persons (in 8 households)
		persons suffering from chronic diseases	28 persons (in 24 households)

The data collected through the 2016 census shows that the **structure of education** is typical for the population in the rural areas and presents the general educational profile of the residents of the villages in Bulgaria – most of the people have primary and/or secondary/specialized education, with a few people having graduated some form of higher education (bachelor or masters). Without education are 5 people (4 men and 1 woman), all Roma. (*The data from 2016 covers 146 residents – those who were willing to answer this question in the questionnaire*).

The **structure of employment** in the village of Beli bryag in 2017 is as follows: the largest share is represented by retired people – 64 persons out of 116 are pensioners; 31 people are employed and 2 are temporary workers, while 14 persons are unemployed and one is a working pensioner, as seen in the below chart. The figure below shows a breakdown of the employment structure.

Figure 4. Structure of employment in Beli bryag



An addition to the structure of employment reported during the study is the availability of household members (or relatives) working for "Mines Maritsa East" EAD. The total number of residents (or their relatives) working for MME at the time of the cut-off date was of 20. Some of the residents of the village also worked for MME before they retired. Therefore, although their incomes are formed from pensions, they are quite good and exceed the living sustenance set by trade unions in Bulgaria, reached in March 2015 of BGN 563.21 per person. This is due to the fact that the amount of miners' pensions is significantly higher than the national average one.

Households' **income** is characterized as follows:

A) The main source of income is retirement and old age **pensions** – they form part of income or all income in **43** of all the 49 households living permanently or seasonally in the village.

<sup>9</sup> See also Table 13 below

B) **Remuneration** has been declared as a source of income by **21 of all the 49 households** living permanently or seasonally in the village. Income from temporary employment has been reported by one household.

C) **Other** sources of income (mainly from rent of land) have been reported by **5 households**. One household (Roma) rely almost entirely on informal income (besides pension and short-term remuneration).

The data gathered through the 2016 census shows that most of the households farm their land plots and get some production for their own needs, but none of the households generate their income from agriculture only. In most cases land is farmed by the local cooperative – some households supplement their income in this way – they have given their land to the cooperative for farming and receive corresponding rent. Income from selling of farm products is declared by three of the households living in the village, in two of these cases the annual income specified amounts BGN 11 000 and in one case – BGN 10 000.

Most households farm their gardens/yard plots and rely on small vegetable production and retail in addition to their main income. Some of them develop small livestock breeding, mainly for the needs of family members. Agricultural and farm products for own consumption (mainly vegetables, fruit and livestock products) are produced by almost all households in the village.

The calculated average monthly income per household member shows that the number of households with incomes equal and lower than the poverty line for 2016 set by the government (BGN 300 per person) - is **19** (13 households of owners and 6 households of tenants living in properties owned by MME).<sup>10</sup>

Table 13 below presents the groups of persons in terms of their occupation, as well as their health status:

*Table 13. Affected persons – occupation and health status<sup>11</sup>*

	Owners		Tenants – living in properties purchased by MME		Informal tenants	TOTAL:
	living permanently	using the house seasonally	living permanently	using the house seasonally	living permanently	
	69	8	33	1	5	116
<b>Of which:</b>						
- retired:	36	4	22	1	-	63
- employed:	19	3	9	-	-	31
- employed pensioners:	1	-	-	-	-	1
- unemployed <sup>12</sup> :	8	1	2	-	3	14
- students <sup>13</sup> :	4	-	-	-	-	4
- adult student, unemployed:	1					1
- temporary employment:	-	-	-	-	2	2

<sup>10</sup> The data is based completely on the information given by the surveyed persons during the socio-economic survey and in most cases is approximate and do not include informal incomes.

<sup>11</sup> See also Fig. 3 above.

<sup>12</sup> **14** households in total have unemployed people. Of them: **7** households have 1 unemployed each, **2** households have 2 unemployed each (one of them is studying) and **1** household has 3 unemployed

<sup>13</sup> **3** households have children, out of which: **2** households have 1 children enrolled in elementary schooling, one of them having 1 unemployed person, too; **1** household has 2 students and the same household has 1 unemployed person, too

	Owners		Tenants – living in properties purchased by MME		Informal tenants	TOTAL:
	living permanently	using the house seasonally	living permanently	using the house seasonally	living permanently	
<b>Health status<sup>14</sup></b>						
- persons with physical or mental disabilities:	4 households/ 4 persons	1 household/ 1 person	2 households/ 2 persons		1 household/ 1 person	<b>8 households/ 8 persons</b>
- persons suffering from chronic diseases <sup>15</sup> :	14 households/ 16 persons		8 households / 10 persons	1 household/ 1 person	1 household/ 1 person	<b>24 households/ 28 persons</b>

### 3.2.4. Vulnerable persons and groups

According to EBRD Environmental and Social Policy 2014, vulnerable groups are defined as "people who, by virtue of gender identity, ethnicity, age, disability, economic disadvantage or social status may be more adversely affected by project impacts than others and who may be limited in their ability to claim or take advantage of project benefits."

Item 6.1. *Eligibility criteria and categories* of LARF defines the potential groups of vulnerable persons. Some of these categories are not applicable to the current situation in Beli bryag. However, as the analysis below shows, there are quite some households with different vulnerabilities, and many with multiple vulnerabilities.

With regard to the criterion „*individuals who depend on the affected land for income/livelihood and it is the only piece of land they own or use*“, none of the families depend exclusively on the in kind income from the land or gardens, however, the in kind income is often significant, making up to 40% of the income of the people according to their own estimations.

According to 3.2.3. *Affected households* above, it was clarified that none of the households generate their income from agriculture only. All households have income from pensions or remuneration as well. However, an important circumstance is the fact that part of the land is given on rental lease and in this way some households supplement their income.

**The total number of vulnerable people in the community to be resettled is of 65.**

Most of these persons have one of the vulnerabilities listed below in table 13 while there are several persons and households affected by two or more layers of vulnerability. A detailed presentation of the households with multiple layers of vulnerability is summarized in table 14 below.

Table 14 below contains information about the types of vulnerability and the frequency of occurrence of each type:

*Table 14. General information about vulnerable individuals*

Type of vulnerability as per LARF	Number of persons
Informal users of affected properties	5
Persons with physical or mental disability	8
Persons with income per household member lower than the poverty line	55
Single elderly people	9

<sup>14</sup> Medical authenticity of the submitted data has not been verified and documentary evidence has not been required. The data is based entirely on the answers given by people during the survey.

<sup>15</sup> 4 households have 2 persons suffering from chronic diseases each.

Large households	13
Unemployed	14
Persons suffering from chronic diseases	28

As some households comprise more than one type of vulnerability (plus some individuals are considered vulnerable under more than one criteria), the above table does not provide a clear idea of the number of households and persons who will need additional assistance in the resettlement process. More detailed information about that is provided in Table 15 below:

Table 15. Detailed information on vulnerable households and individuals and types of vulnerability

No.	No. of household acc. to the register (Attach. 2)	Low socio-economic status	Physical or mental disability	Informal users	Single elderly people	Large house holds	Number of vulnerability criteria per household	Number of persons
1	3	1	1				2	2
2	5		1		1		2	1
3	10	1					1	3
4	16	1			1		2	1
5	18				1		1	1
6	22	1					1	4
7	23	1	1				2	2
8	24				1		1	1
9	26	1					1	2
10	27	1	1				2	3
11	28				1		1	1
12	29		1				1	2
13	36				1		1	1
14	46	1				1	2	8
15	54	1					1	4
16	55	1			1		2	1
17	57	1			1		1	1
18	63	1			1		2	1
19	64		1				1	4
20	69	1					1	4
21	70	1					1	3
22	76	1					1	4
23	77	1	1	1		1	4	5
24	87	1					1	3
25	90	1					1	3
TOTAL	Households	18	7	1	9	2		
	Persons							65

The above information helps the company to understand how many persons are in need of special assistance during the resettlement process and how to take the most effective measures in this respect. As

it can be seen, the family that resides informally in Beli bryag is the most vulnerable, while another 8 households are affected by more than one type of vulnerability.

In addition to the vulnerable persons specified above, during the resettlement process MME will take into consideration the following households as well:

- Unemployed: 9 households – 14 persons;
- Households consisting of 2 retired people: 11 households – 22 persons;
- Households comprising children: 3 households – 4 children;
- Households comprising persons suffering from chronic diseases: 24 households – 28 persons.<sup>16</sup>

MME will provide enrollment in the qualification courses organized by the Company of the unemployed people who have lost their jobs due to displacement or currently being out of work, in order to find employment in compliance with their qualifications and according to the needs of the Municipality.

### 3.2.5. Agricultural lands situated outside the built-up area of Beli bryag

This sub-chapter describes the situation of agricultural land as of 2016. Since there were no transactions for agricultural land acquisition since 2014, data presented below is still relevant.

The total area affected by the project development and subject to land acquisition process is of about 1000 ha. Table 4 below presents detailed information on the type of agricultural lands in the territory of the village of Beli bryag related to the purpose of their usage, their area and ownership:

*Table 16. Agricultural lands in the territory of the village of Beli bryag by their types, area and ownership*

Type of property	Area (dca) <sup>17</sup>	Of which (dca)	Number of properties	Ownership
Cropland /arable land/	3,196.11	2,706.26	222	Private properties
		157.90	6	Mayor Delegate's office in Beli bryag
		29.92	5	Radnevo Municipality
		249.63		MME
Natural meadows	269.38	243.14	67	Private properties
		35.24	2	Mayor Delegate's office in Beli bryag
Pasture lands	127.81	110.39	16	Mayor Delegate's office in Beli bryag
		17.42	6	Radnevo Municipality
Forested areas	13.89		1	State forests fund
Areas covered with bushes	16.77	12.34	4	Mayor Delegate's office in Beli bryag
		4.43	1	Radnevo Municipality
Moors	1.53		1	Mayor Delegate's office in Beli bryag

<sup>16</sup> Please refer to item 6.3. *Entitlement Matrix*

<sup>17</sup> 1 dca = 1000 m<sup>2</sup> = 0.1 ha

Inland rivers	45.58		2	Ministry of Agriculture and food - Hydro-Melioration Systems and Facilities
Water reservoirs	7.47		2	Radnevo Municipality
Areas of Hydro-Melioration Systems and Facilities	106.16	64.48	3	Ministry of Agriculture and food - Hydro-Melioration Systems and Facilities
		41.69	5	Mayor Delegate's office in Beli bryag
Irrigation canals	0.47		1	State irrigation system
Drainage canals	3.36		1	Ministry of Agriculture and food - Hydro-Melioration Systems and Facilities
Canals	43.67	18.94	13	Mayor Delegate's office in Beli bryag
		18.10	9	Radnevo Municipality
		6.64	4	State irrigation system
Other territories occupied by watercourses and water areas	1.58		2	Mayor Delegate's office in Beli bryag
Field roads	141.29	76.31	25	Mayor Delegate's office in Beli bryag
		64.98	17	Radnevo Municipality
II-class roads	47.02		2	State road network
IV-class roads	6.83	0.98	1	State road network
		5.86	1	MME
Farmyards	2.20		1	State Land Fund - Ministry of Agriculture and food

Petrol station	2.45		1	MME
Developed areas of minerals	5,978.55			MME
Other areas for mining	84.90		3	MME
<b>Total</b>	<b>10,097.03</b>			

Available data shows that **26 owners** of regulated land properties also own **agricultural land** outside the built-up area of the village. Out of these, 3 owners do not live in Beli bryag. Most owners hand over their agricultural land to the local cooperative, which uses the land and pays an annual rent to the owner, as well as distributes a part of the produce.

### 3.2.6. Other results from the socio-economic census

Based on the socio-economic census results and the conversations held with the residents of the village of Beli bryag it becomes clear that they feel insecure, hesitant and worried. Many of them share that the uncertainty existing so far affects negatively their life plans and seriously disrupts the normal course of their lives and their lifestyles. There is no doubt that all items concerning directly the resettlement process itself, its format, available options for choosing the new home and place of living, as well as the method and size of compensation, become an especially sensitive topic for the affected people. It is this range of issues which cause the greatest concern to the village residents. They express their willingness for dialogue with MME and need clarity on the issues concerning them. No less disturbing for the residents of the village is the issue concerning the transportation of household belongings and all movable property.

The following aspects have been identified by residents in the village as the most significant in the resettlement process, ranked by degree of importance designated by them:

- loss of property - nearly 89% of households see this loss as an issue of utmost importance for them. And this is completely understandable: the majority of the residents have lived there for years, and some of them – all their lives. That is why they are so disturbed and afraid of the prospect of this possible loss, and the options for compensation of this loss (even in their most favourable scenario) are perceived as very poor possible substitutes of the comfortable and secure life at the old place.
- loss of social contacts – indicated as a problem by 87.30%, as they think they will face the inevitability of interruption of social contacts, interactions and relations lasting and significant for their social contacts. Additional burden to this problem adds the fact that over 50% of the village residents are people at retirement age, who would go through the removal from the habitual social environment much more dramatically than the young people.
- loss of livelihood - nearly 40% of people see this fact as worrying. On one hand, the number of households using their properties (or rented agricultural lands) to gain some additional income from sales of farming products is extremely low, according to the information provided by the residents themselves on the issues related to their livelihood, and no household indicates their farming production as the only source of income for living. However, on the other hand, two thirds of the households use actively the available farming resources (such as dairy products, vegetables, fruits etc.) to meet their own needs and in this way they supplement, in some cases more tangibly, their main income. Based on this fact, it is logical to assume that resettlement is not likely to lead to a dramatic collapse of the economic status of households, but at the same time may adversely affect the level of welfare and contribute to their impoverishment.
- feeling of homesickness – it is another fact seen by the residents of the village as a problem of emotional and psychological nature.
- loss of friendships and relationships as a consequence of resettlement – specified as a problem by 74.14% of the residents.
- "adaptation shock" as a result of adaptation to the new living conditions and social environment after the change of residence – 72.41%

- the need to arrange the new place to live - about 66 % of the village residents.

Some possible effective ideas to cope with the situation specified by the residents are as follows:

- relocation to a place where livestock farming is possible;
- purchasing of another cottage with a yard and a garden;
- seeking new surroundings to live in;
- receiving adequate price of the property and a job offer;
- living closer to their children;

The question concerning the people preferences related to the compensation, outlines one of the main dilemmas – whether to prefer compensation in kind, or simply to get the relevant cash equivalent of the property plus possible compensation for other damages. 48 of the property owners in the village (85.71%) have declared that they would rather get cash compensation for their property. If this number is added to the 14 households that have already sold their properties and currently live in them for free (during the grace period) or paying rent to MME, their number would increase to 62 households, or 88.58% of all surveyed (69) households. 3 of the households prefer compensation in kind (providing of another place for living), and these are 4.28% of all surveyed households. 8 households have not answered to this question but 3 of them possess another property for which they have agreed to receive compensation in cash, so the opinion is missing for 5 households (7.14%).

Regarding the preference for the place of resettlement, the answers are quite different. The most frequent preferences outline four options as priority:

- relocation to the town of Radnevo (apartment or brick cottage);
- relocation to the village of Bogomilovo;
- relocation to a settlement near Beli bryag;
- relocation to a place near the place of living of their children.
- relocation in Stara Zagora, providing transport and providing a job at “Mines Maritsa-East” EAD.

The residents of Beli bryag mentioned the following type of assistance, social and legal support they will need during and after relocation:

- nearly 78% would like to be assisted in relocation to the new place of living. Majority of them have expressed their wish for assistance in transportation;
- nearly 18% would benefit from consultations on social and legal matters;
- approximately 16% have indicated that they will need some assistance in restoring their ability of domestic and social activities;
- about 10% reckon that they will need some assistance in registering at the new place;
- 1.61% would like to be assisted in preparation of the documents for arranging a stay in an institution for social services, appropriate for their condition, or in solving pension-related issues.
- 6.45% have declared that they do not need the above types of assistance or services.
- about 9% have asked for a job opportunity for members of their households (or their children) at в “Mines Maritsa-East” EAD.
- 8.7% have expressed their wish for MME to meet the costs of the funeral of family members.

Other requests expressed by a smaller number of people are as follows:

- A monthly visit by a doctor in their homes;
- Solving the issue of acquisition in nearest future;
- Valuation and purchase of the cottages on time;
- Good valuations;
- Not paying a rent until the resettlement.



## 4. CURRENT STATUS OF THE PROJECT AND THE PLANNED ACQUISITION / RESETTLEMENT PROCESS

### 4.1. Cut-off date

After the completion of the socio-economic survey, a cut-off date for new settlers in the village was published, which provided clarity on eligibility for compensation and assistance. After the cut-off date, all individuals who might squat into properties on the territory of the village, with no established property rights for these properties, will not be compensated by MME. The date **31 March 2016** is considered as a cut-off date. Its announcement was made public by placing a notice at the Mayor Delegate's office in the centre of the village of Beli bryag, as well as in the local media.



Picture 1. Cut-off date announcements in Beli bryag

### 4.2. Land Acquisition Process

Up till now, MME has been carrying out the land acquisition either through **negotiated agreement** or through **expropriation** (up to now – for agricultural lands only). MME tried to avoid situations of expropriation by introducing a series of compensation measures for the transition period and mitigation measures for the community. Nonetheless, the land acquisition process will be concluded by the end of 2019 and the expropriation process will start. The entire resettlement process will be over by 2023, which is the estimative date of the mining works reaching the village.

The below figure explains the process of land acquisition that was used by MME up till now.

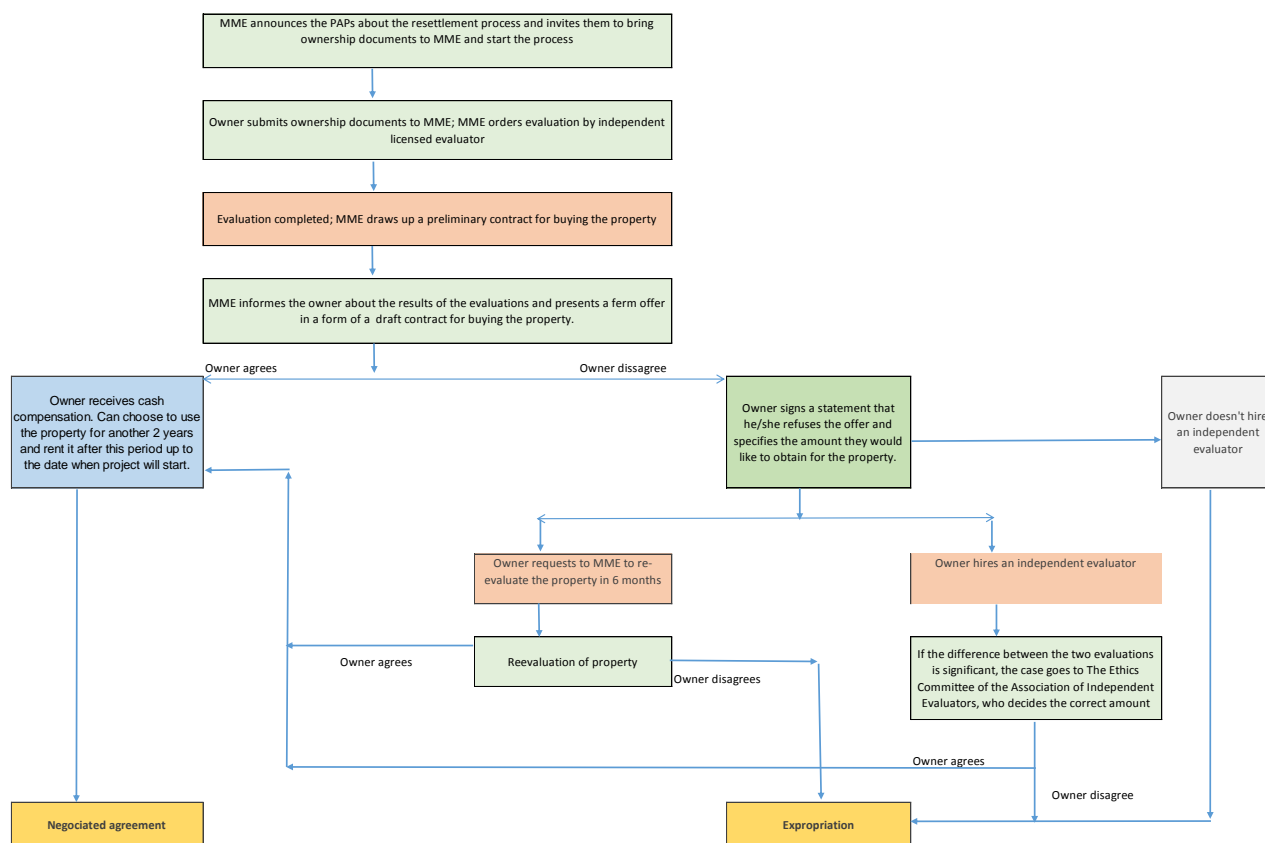


Figure 5. Land acquisition process

The land acquisition process is continuous and is determined by the annual progress of mining works. Information about agricultural and housing properties in the territory of the village of Beli bryag acquired by MME so far is presented below.

#### 4.2.1. Agricultural land

The land acquisition process started about 20 years ago. Properties within the territory of the village, situated near the area of mining activities, have already been acquired. The below table shows current status of ownership of agricultural land and its evolution since 2009 to present time.

Table 17. Agricultural land plots

End of	Total land plots		Owned by Municipality		Privately owned		Property of MME	
	number	'000 m2	number	'000 m2	number	'000 m2	number	'000 m2
2008	291	3460.6	48	298.6	240	3127.5	3	34.5
2009	291	3460.6	48	298.6	202	2429.7	41	732.2
2010	291	3460.6	48	298.6	159	1745.7	84	1416.2
2011	291	3460.6	48	298.6	132	1255.5	111	1906.4
2012	291	3460.6	41	133.7	87	667.8	163	2659.1
2013	291	3460.6	41	133.7	84	605.5	166	2721.4
2014	291	3460.6	41	133.7	83	603.5	167	2723.4
2015	291	3460.6	41	133.7	83	603.5	167	2723.4
2016	291	3460.6	41	133.7	83	603.5	167	2723.4
May '17	291	3460.6	41	133.7	83	603.5	167	2723.4

Approximately 80% of the agricultural land belonging to the village is croppable/arable land, with some 15% made up by natural meadows, pasture lands, forests and one moore. MME has been progressively acquiring agricultural land from private owners and Municipality as can be seen in the above table.

Aside from this, there are water reservoirs, rivers, irrigation canals, field roads, farmyards owned by various state organizations, the Municipality or MME. These properties are expected to be acquired smoothly through the negotiated agreements as the state organizations and municipalities cooperate with MME in this process.

There are no agricultural land plots to be bought that are used by tenants.

Currently, the number of agricultural land plots in the village acquired by MME is 167.

The villagers are members of the **ACPS** that is available in Beli bryag. They are benefiting from rent or produce but also from dividends and share capital. The ACPS is a working enterprise engaged in processing 10,300 decares (1 dka = 0.1 ha) of agricultural land. Each year about 4 000 decares of wheat, 1,000 decares of barley, 600 decares of alfalfa and 4,700 decares of sunflower are sown.

In the first years, the cooperative worked 7,800 decares of land owned by the cooperative members in the village of Beli bryag. Since 1997 MME started to buy land and by now the cooperative members have about 2,485 decares.

In 2007, in order to maintain its activity, the cooperative rents 6,900 decares of land from a neighbouring land - Gipsovo.

The cooperative has always been economically independent production unit. So far, there is no economic year with a negative financial result. The cooperative reports an annual turnover of almost 2 million BGN. All owners of agricultural land who have lent it to the cooperative receive an annual rent of over BGN 40 per decare. Part of the profit is distributed to cooperative members each year and part is retained. Thus, their share capital increases each year.

#### 4.2.2. Properties in the built-up area (regulated land area)

Since the beginning of the process, the acquisition of land and structures within the urbanized territory of the village has been carried out on a negotiated agreement basis, upon a written request submitted at MME by the owners. Expropriation has not yet been applied. By the time of elaboration of this document, MME has acquired 75% of the regulated land properties in the village of Beli bryag.

Table 18 presents summarized information on the type and number of the regulated land properties (RLP) **without** residential structures according to ownership and evolution of purchasing over the years starting with 2009. These plots are mostly yard plots used orchards and gardens owned by private owners, the Municipality or the MME. Among these plots is also the main square of the village.

*Table 18. Number of properties in the regulated area without residential structures by type of ownership:*

End of	Total land plots	Owned by municipality	Privately owned	Property of MME
2009	100	51	49	0
2010	100	21	43	36
2011	100	21	34	45
2012	100	11	29	60
2013	100	11	29	60
2014	100	11	22	67
2015	100	11	21	68
2016	100	11	20	69
May 2017	100	11	19	70
Aug 2017	100	11	18	71

Table 19 presents summarized information on the type and number of the regulated land properties (RLP) with residential structures according to ownership and evolution of purchasing over the years starting with 2009. Of the 33 remaining residential structures to be bought 28 are inhabited, 2 are uninhabited and 3 are seasonally used.

Table 19. Number of properties in the regulated area with residential structures by type of ownership:

End of	Total land plots	Owned by municipality	Privately owned	Property of MME
2009	112	5	106	1
2010	112	5	93	14
2011	112	5	84	23
2012	112	5	75	32
2013	112	5	71	36
2014	112	5	59	48
2015	112	5	52	55
2016	112	5	36	71
May 2017	112	5	35	72
Aug 2017	112	5	33	74

As per the tables above there are 29 plots (18 privately owned and 11 owned by municipality) in the regulated area without residential structures to be purchased and 48 properties with residential structures (33 privately owned and 5 owned by municipality).

### 4.3. Impact assessment

Due to project development, the following categories of impacts have been defined:

- **physical displacement** – people whom are currently living in the village of Beli bryag will have to be resettled and they will lose their properties they currently have. All structures, both residential and non-residential, will be demolished. People will be able to take any asset they want from the properties, or leave behind any of those assets and be compensated for their loss. Physical displacement situations will be considered for both formal and informal dwellers and tenants that have been identified during the socio-economic survey and are still living in the village.

- **economic displacement** – project affected persons will encounter losses due to:

- the fact that they will not be able to use the subsistence gardens around their houses. These areas were generating at least goods for their own consumptions that they will have to buy from now onwards;
- they will not be able to use the land plots that are situated outside the built-up area that is currently used as agricultural lands. Some perennial crops might be lost due to the project timing and the progress of mining works.
- they will encounter losses due to the fact that they will no longer be members of ACPS. So far, they have received an annual income from ACPS.
- They will have losses of income from agricultural business. These situations are observed mainly with ACPS but also with other micro-farmers that are in the village.
- Employees of ACPS or micro-farmers will lose their jobs.

All the above impacts are prior to project implementation, permanent and cannot be avoided.

## 5. KEY LAND ACQUISITION PRINCIPLES AND ISSUES

The following principles of land acquisition and compensation have been adopted by MME, and shall be observed during the acquisition / expropriation process:

1. **Land acquisition shall be carried out in compliance with the State Property Act in the Republic of Bulgaria, giving precedence to the principle of voluntary sales, as well as in compliance with the EBRD Environmental and Social Policy and internationally accepted good practices.** (The procedures concerning land acquisition / expropriation, developed by MME, are available in the attachments, respectively: Attachment 5: *Agricultural land acquisition procedure*; Attachment 6: *Land acquisition procedure for properties in the built-up area*; Attachment 7: *Land use change procedure* and Attachment 8: *Expropriation procedure*).
2. **All affected persons shall be informed and consulted** during Project preparation and implementation. For all owners/occupants, meetings shall be organized where the land acquisition process and the specific impacts on their land shall be explained.
3. The **cut-off date** for the establishment of eligibility (for both formal and informal property owners) **shall be defined and disclosed after the census is completed.** The date **31 March 2016** was defined and published as a cut-off date. Persons who have settled in the Project area after the cut-off date will not be eligible for any compensation.

The cut-off-date shall be disclosed and disseminated publicly through publication in the daily newspapers, on public bulletin boards in public places in the settlement and in consultation meetings with the concerned affected communities.

4. All owners of affected properties shall be **compensated for the acquired property at full replacement value, in respect to EBRD's 2014 Environmental and Social Policy.** Thus, the compensation amount received by the PAPs should be sufficient to replace the lost land, properties and other assets at full replacement cost in the local market. The replacement cost is calculated as the market value of the assets plus the transaction costs (taxes, stamp duties and notary fees) related to restoring such assets. Buildings and other structures will be valued at their full replacement value, at either the market cost of replacement or the cost of re-building to a similar quality, taking into account the provision of utilities and services.

The property market valuation will be prepared by **an independent evaluator** (please refer to section 6, *Compensation and Entitlements*).

5. All owners/occupants who have expressed the wish to continue using the properties after its acquisition by MME, shall be given the opportunity to do it – for free during a **grace period** or through rental after the expiry of this period (in compliance with Attachment 6: *Land acquisition procedure for properties situated in the built-up area*), and during that time they shall be able to harvest the crop planted. The Company and the municipality will make sure that as long as there are people living in the village, utilities will be kept and no person will be in danger of health and safety issues.
6. Persons/ households who prefer compensation in kind on “like for like” basis will be given the opportunity to move to a housing owned by MME - to rent with security of tenure or to replace the sold property.
7. **Livelihoods and standard of living of affected persons will be improved or at least restored to prior levels,** in as short a period as possible.
8. Issues related to **payment of cash compensation will be discussed and agreed with owners and all affected members** of households. Cash compensation will be paid in full, as agreed with the owners and affected members of the households and as defined by contracts, to the bank accounts specified by the owners.

9. MME will monitor the implementation of the land acquisition and livelihood restoration processes, through both internal, official institutional arrangements, and through an independent, external monitor.
10. Assistance throughout the resettlement process will be provided by the Company to all PAPs. Since the needs for assistance can differ from household to household, this document provides only general guidelines which may be subject to addition or revision. Therefore, if any specific needs are brought to the Company's attention during face-to-face meetings or through requests from PAPs, they will be taken into consideration and will be met with tailored assistance packages, as much as legally possible.

## 6. COMPENSATION AND ENTITLEMENTS

### 6.1. Property and crop valuation carried out by independent experts

According to the property valuations carried out so far by official licensed experts, the price per square metre for a property within the region varied between BGN 2 and BGN 10 per square metre during the period from 2010 to 2018, based on actual calculations of residential buildings and their surrounding properties, depending on their current condition and location.

The price of agricultural land varied from BGN 150 to BGN 1250 per dca, depending on the condition and category of the land, in compliance with the Decision taken by the MME Board of Directors under Protocol №16-2007/06.12.2007 about determination of maximum purchase prices of land plots depending on their categories. At the moment of that decision, the prices specified in it for each category of land were much higher than the market prices, and the purpose was to encourage the owners to sell to MME. Nevertheless, for each purchase of agricultural land, an evaluation is made by a certified evaluator and is compared to the price specified by the BD for the specific category. This practice shows that, currently, although the market prices are getting higher, they have still not reached those specified by the abovementioned decision of the BD. When they get closer, a new proposal will be submitted to the BD, that the market price defined through evaluation shall be considered only. (Please refer to Attachment 5: *Agricultural land acquisition procedure*).

Cash compensation, as well as in-kind compensation, is based on **full replacement value** (including all deal-related costs, e.g. the costs for finalizing the deal before a notary and its entry in the Registry Office or another register, administrative taxes, transfer fees, notary fees for buying a new property) and will be provided for land plots and buildings (cottages and auxiliary structures), acquired for the Project needs. Full replacement value is achieved through the entitlement package, which consists of various financial and non-monetary measures and is detailed in the upcoming section.

The property valuation is based on required documents from the owners and application of methods and approaches adopted in the business valuations theory and practice, in compliance with the following regulations:

- Business valuation standards BVS 1 to BVS 8, adopted by the Privatization Agency and applied by the evaluators registered at the Register of independent evaluators at Privatisation Agency;
- International Valuation Standards;
- Ordinance № H-9/14.08.2006 by the Ministry of Finance;
- International Accounting Standards № 16;
- Ordinance for valuation of perennial crops (State Gazette, issue 81/2003).

**The valuation of each property is carried out by an independent licensed evaluator, based on a combination of two methods: market based valuation method and the method assessing the costs incurred by the purchasing or building of a structure other than residential, minus depreciation.** The evaluator analyses and considers the following aspects: characteristics of the construction and condition of the properties, the

absence or presence of utilities, perennial crops, as well as market information about the recent sales of similar properties in the village of Beli bryag, Radnevo Municipality and its neighbouring municipalities – Galabovo and Nova Zagora. Real estate market is considered active, as there are more than 200 real estate transactions per year within the region, as stated by the independent certified valuers, notaries and the Registry office. All this leads to a specific cash compensation for this property. **Since prices of properties from similar localities are taken into consideration, any negative impact on the village caused by the continuous expansion of the mines is not reflected in the evaluated price of the properties.**

Perennial crops and trees will be paid by their replacement value. Valuation of perennial crops shall be carried out in compliance with Ordinance of basic prices of perennial crops specified above (issued by the Council of Ministers; SG, issue 81/2003).

The Company also commits to paying the transactional costs related to the purchase of a new property by the PAPs, if it is done within a year since the owners sold their previous properties to MME. Because not all PAPs will want to acquire a new property, the amount covering these costs (i.e. notarial fees) cannot be provided in advance, but will be later reimbursed<sup>18</sup>. This means that, when the PAPs purchase a new property, they can submit a Letter of Request to MME in which they ask for the reimbursement of the costs of transaction, together with the documents specifying the amount paid for the new transaction – with the original invoice. However, the Company will not reimburse the total amount of transactional costs if the new property is purchased at a higher price than the amount received by the owner for its previous property. The fee corresponding to the respective price difference will be payable by the owners.

Each property can be evaluated by two evaluators. MME will use the services of its current evaluator, TD Stroyproekt. Each owner can order a parallel evaluation under the following conditions:

- 1) the evaluator selected by him/her shall be licensed;
- 2) the second evaluation shall be at the owner's expense.

In case there is a difference between the two evaluations, then two possibilities emerge:

A) If the evaluation of the owner's property, prepared by the licensed evaluator selected by him/her is higher –MME will stick to the assessment prepared by the licensed appraiser selected by the Company under the Public Procurement Law, which is determined on the basis of a fair market price. MME has no legal basis to allow another evaluation to be accepted, therefore another, higher acquisition value of the RLP cannot be accepted as it exceeds the market value determined by the licensed evaluator whose services are used by MME – Art. 42, Para. 2, third statement of „Rules on the order, conditions and procedure of decision-making and giving permissions by BEH EAD as an entity exercising the right of the sole capital holder and solving issues within the competence of the General Assembly of the commercial companies”. If agreement is not reached, on the basis of the second evaluation the owner is entitled to file a complaint with the Committee of Professional Ethics in the Chamber of Independent Evaluators in Bulgaria (KNOB), which will trigger the procedure provided in their regulation in such cases (described in Chapter VI Litigation of evaluation of the Licensed Evaluators Act). MME, as well as the licensed evaluator whose services the Company uses, will undertake the necessary steps, depending on the decision of the Committee mentioned above;

B) If the evaluation prepared by the licensed evaluator whose services MME uses is higher than the one by the evaluator chosen by the owner, and if the owner still wishes to enter into a deal, the parties will proceed to the procedure of property selling and buying.

## 6.2. Entitlements Matrix

The Entitlements Matrix is presented in Table 20 and contains the categories of PAPs affected by the physical and economic displacement impacts arising potentially from the progress of mining works. The entitlements are explained in more detail in the text below the table.

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<sup>18</sup> The transactional costs cannot be provided in advance because the Company also needs evidence of the payment for their own fiscal registries. Otherwise, it would be considered as fiscal fraud.

Table 20. Entitlements Matrix

TYPE OF LOSS/IMPACT	CATEGORY OF AFFECTED PERSONS	ENTITLEMENTS
Compensations for physical displacement		
Loss of residential / non-residential structures and assets	Owners of land plots with residential buildings in administrative area of Beli bryag	<p><b>Option 1:</b> Cash compensation at full replacement cost based on third party valuation.</p> <p><b>Option 2:</b> Apartment in the towns of Radnevo and Galabovo from the Company's available housing stock, plus cash compensation if the two properties are not of equal value</p> <p><b>Option 3:</b> If the owners are not satisfied with the amount offered by MME resulting from the evaluation report, they can wait for the expropriation process to begin. The expropriation order defines the size of the compensation, which the owner may decide to accept or appeal before court within 14 days.</p> <p><b>Plus, for all options:</b></p> <p>Before demolition of purchased properties, former owners are allowed to dismantle and take the materials they want and need.</p> <p>Transport of assets to new residential place.</p>
	Formal tenants of residential buildings in administrative area of Beli bryag	<p>Information about the acquisition of the house/structure at least six months in advance of demolition, to enable the tenant to find another accommodation; assistance with move.</p> <p>Upon submitting a Letter of Request at MME, the affected household can rent a property from the housing stock of MME with security of tenure – temporarily, for an initial period of three years (please refer to item 6.2 above).</p>
	Informal tenants	<p>Information about the acquisition of the house/structure at least six months in advance of demolition and assistance with move</p> <p>Offering of adequate housing owned by the Company, for rent, for an initial period of 3 years, with option to extend period.</p>
Compensations for economic displacement		
Loss of usage of subsistence farming in garden around houses	Owners of land plots without residential buildings in administrative area of Beli bryag	Cash compensation at full replacement cost based on third party valuation for land and compensation for losses of crops, trees, etc.
Loss of agricultural land	Owners of agricultural land	<b>Option 1:</b> Cash compensation at full replacement cost based on third party valuation



TYPE OF LOSS/IMPACT	CATEGORY OF AFFECTED PERSONS	ENTITLEMENTS
	Users of agricultural land (formal and informal)	<p><b>Option 2:</b> Agricultural land with equivalent surface and soil quality on land reclaimed by the mine or belonging to MME</p> <p>Information about the acquisition of land at least 6 months in advance, to enable the tenant to find other land for lease. Upon a request officially declared by the affected person, the Company is able to provide part of the reclaimed land owned by MME for agricultural use.</p>
Loss of income from ACPS	Owners of land that are members in ACPS	<p>Cash compensation takes into account any loss of crops, as well as any shares or dividends the person might have.</p> <p>In addition, after selling the land, the owners will be able to keep receiving all the benefits from the cooperative for the next years, while the land is still operated by ACPS, until it is needed for mining activities.</p> <p>If the land is in front of the mining activities, the owner will also receive compensation amounting the production of the previous year.</p>
	Farmers that are officially registered as production facilities or can prove cash income from agriculture	<p>Cash compensation at full replacement cost based on third party valuation for loss of assets and transport for any assets the owners wishes to transport.</p> <p>If the farmer would like to sell his business, the company should evaluate the business and provide cash compensation for business closure.</p>
	ACPS	Provision of legal assistance with business closure process.
	Employees of farmers or ACPS	Employees opportunities at the company (Advising of job opportunities at the Company for affected persons that meet the criteria for the announced vacant jobs) or in other places. Support in identification of job vacancies and vocational trainings.
<b>Compensations for transitional period and other measures that are applicable to all PAPs</b>		
Loss of residential structures	All PAPs	All owners/users (formal and informal) who have expressed the wish to continue using the properties after its acquisition by MME, shall be given the opportunity to do it for free during a 2-year grace period or through rental after the expiry of this period.
Crop loses		Right to collect crops from agricultural plots until MME needs these properties for their own use
Access to compensation		Free legal advice and assistance
Resettlement process		MME will provide case-by-case assistance to meet each household's resettlement needs. The assistance package will be developed following a request from PAPs.

Please note that the current Entitlement Matrix can include additional measures, based on PAPs' needs. These will be defined during face-to-face meetings and along the RAP implementation process.

For the vulnerable persons, a set of additional measures are envisaged. These are referring to aspects such as: legal advisory services, transportation services, assistance with getting in touch with social care departments, etc. All measures are presented in the table below.

Table 21. Measures for vulnerable persons:

Vulnerable groups	
<b>Measures applicable to all vulnerable persons</b>	<p>Free legal advice and assistance from the Company's lawyers related to legal processes, information about relevant institutions and agencies, filling in legal documents, etc.</p> <p>Vulnerable PAPs can request the extension of the grace period by one additional year (i.e. 3-year grace period)</p> <p>Meetings will be held with each vulnerable person in order to define their resettlement-related needs and the way of meeting those needs</p> <p>Provision of transport for person's relocation and his/her movable possessions (within Stara Zagora or at a distance up to 100km)</p> <p>Vulnerable persons who are living as tenants in their former properties have the option to lodge applications for reconsideration of the amount of rent payments under their tenancy contracts</p>
Individuals with low socio-economic status (income lower than the poverty line)	<p>Support to contact social services agencies and to apply for social benefits;</p> <p>Support to contact the employment agency to seek for a better paid job;</p> <p>Providing information about open positions at MME for which the individuals might qualify;</p> <p>Providing information about qualification change courses and helping to enrol for free.</p>
Informal users	<p>Support to contact social services agencies and to apply for social benefits;</p> <p>Provision of housing to rent for reasonable amounts;</p> <p>Support to contact the employment agency and help with the job applications;</p> <p>Possibility to enrol in some of the training and qualification courses organized by MME, which increases the chances of finding a job within the Company;</p> <p>Providing information about open positions at MME for which the individuals might qualify;</p>

	<p>Providing information about other qualification change courses and helping to enrol</p>
<p>Individuals with physical or mental disabilities</p>	<p>Providing appropriate means of transport for person's relocation and his/her movable possessions</p> <p>Support to contact social services agencies and to apply for social benefits;</p> <p>Informing about existing health care facilities in the area and providing assistance in contacting them;</p> <p>Supplementary legal assistance to understand the property acquisition process, their rights during this process and help with gathering and filling in the necessary documents;</p> <p>Door-to-door meetings to make sure the persons are informed about changes in the process and to understand what additional support is required by each individual case;</p> <p>Assistance in finding and contacting organisations that support disabled individuals to find job prospects;</p>
<p>Large households</p>	<p>Providing information about available education facilities for children and helping to enrol (if the case);</p> <p>Support to contact social services agencies and to apply for social benefits;</p>
<p>Unemployed (registered at the Labour Bureau as active job seekers)</p>	<p>Support to contact social services agencies and to apply for social benefits;</p> <p>Support in contacting the employment agency at the new residence;</p> <p>Assistance to find and enrol in qualification improvement or qualification change course;</p> <p>Possibility to enrol in some of the training and qualification courses organized by MME, which increases the chances of finding a job within the Company;</p> <p>Advising of job opportunities at the Company for affected persons that meet the criteria for the announced vacant jobs (at least twice)</p>
<p>Households comprising children</p>	<p>Support in finding and enrolling the children in an education facility or nursery home (if such is needed).</p>
<p>Persons suffering from chronic diseases</p>	<p>Support to find and contact health care facilities that best fit the needs of the person;</p> <p>Support in contacting social services agencies and to apply for social benefits;</p>

### ***Compensations for physical displacement***

According to MME policy, the PAPs are allowed to use materials from their buildings without deduction from the compensation amount. Dismantling of the materials can be done at any time after the sale date which they consider appropriate.

Persons whose property is acquired by MME, up to now were allowed to use the property free of charge for six months after its acquisition by MME. Following the new agreements achieved between the local people and the Company's management, this option is increased to two years after the acquisition date (three years for vulnerable people, if they choose). After this period, people can continue their stay in the same property by paying a rent to the Company. The rental contract shall be concluded for an initial period of three years, with an option to extend the period each time by another three years - until the household find another accommodation alternative. In case the tenant finds another home before the expiry of the 3-year period, he/she shall not pay a penalty for breaking the contract. A discount of 50% of the rental price shall be made for the households of people having worked for the Company and are currently retired. The vulnerable PAPs that are using their former houses as tenants will also have the option to lodge applications for reconsideration of the amount of rent payments under their tenancy contracts.

For the purposes of compensation in kind on a "like for like" basis, the affected households will be offered to choose from a list of properties of the same value from the housing stock of the Company. They can be rented with security of tenure – for a period specified by the tenants, or they can replace the property acquired by the Company. In the event of renting the property, the rental contract shall be concluded for an initial period of three years, with an option to extend the period each time by another three years - until the household finds an accommodation alternative. In case the tenant finds another home before the expiry of the 3-year period, he/she shall not pay a penalty for breaking the contract.

The company is ready to provide the affected people transport vehicles to assist in the relocation of their movable property (within Stara Zagora District, or at a distance up to 100 km).

### ***Compensation for economic displacement***

As the affected people are allowed to continue using the property for years after its acquisition by MME, the Company will not pay compensation for not harvested annual crops. Each owner/ tenant shall be given the opportunity and enough time to harvest their annual crops, as they will be informed about MME intentions related to the progress of mining works at least six months in advance.

If other assets are lost or production assets need to be relocated (e.g. bee hives), the people shall be compensated for the loss of production for one season plus assistance with move which consists in payment of the relocation-related costs for the production assets or providing of transport by the Company for their relocation – within Stara Zagora District, or at a distance up to 100 km. The assets and the value of the production for one season shall be evaluated by an independent licensed evaluator, based on the average income from previous years, upon presentation of an official document proving that income.

In case of honey production (bee hives and processing facilities) MME will perform a baseline study for the year when displacement will occur. This will establish the production amounts and values based on which the compensation will be performed.

The assistance provided by MME during the resettlement process is flexible. The Company is willing to take into consideration the specific needs of each household and provide a tailored assistance package, if such is requested by the PAPs.

### ***Assistance for vulnerable persons***

Meetings shall be held with each vulnerable person in order to define their resettlement-related needs, as well as the way of meeting the identified needs. Vulnerable people will be consulted on the type of assistance they need for the resettlement (e.g. specific legal assistance, special transportation measures for persons with physical disabilities, assistance in finding and purchasing of new homes, assistance in enrolment of children in new schools if necessary etc.). These types of help will be provided by MME through the engagement of social and health officers, educational institutions and, in case of need, in co-

operation with Municipal office for social activities. The affected vulnerable persons will receive free legal assistance by the lawyers in the Company.

### **Other measures agreed with the PAPs**

As a result of the meetings and talks, both parties came to agreements on the following issues:

- 1) At the next update of the contract with the security company or future procurement for selecting one<sup>19</sup>, MME shall include a provision related to providing security of properties in the village of Beli bryag;
- 2) The security during demolition of structures shall be enhanced in order to ensure the smooth execution of demolition activity and to provide safe conditions for implementation of this activity;
- 3) On the day of the demolition of buildings, the submission of water jets for irrigation shall be provided, in order to avoid the formation and spreading of harmful dust emissions;
- 4) MME shall take care of the properties purchased by the Company and shall clear the sites from grass every 3 months;
- 5) A GLAC – Guide for Land Acquisition and Compensation - is developed and distributed to people living in the village.
- 6) MME will reimburse/pay the funeral expenses (according to Section VI - Grave Fees from the Ordinance on the Designation and Administration of Local Taxes and Prices of Services on the Territory of the Municipality of Radnevo), to the relatives of the deceased in the amount of up to BGN 200. Within ten days from their issuance date, the supporting evidence for the expenses must be submitted to MME.
- 7) A reception office is organized by MME in the village and meetings are held there the second Thursday of each month between the village residents and MME representatives where residents' questions, demands and other issues are answered or are referred to MME management.
- 8) A register is developed by MME for the buildings affected by demolition of a neighbouring structure and compensation will be paid to the owners for the damages caused.
- 9) When a property is sold to MME, the transfer of the agreed amount of money will be done within a period of 3 months after the Notary deal is concluded.

## **7. DISCLOSURE OF INFORMATION AND PUBLIC CONSULTATIONS**

### **7.1. Disclosure of information and consultations held to date**

The residents of the village of Beli bryag have known about the upcoming resettlement for a long time. A few meetings and public discussions have been carried out with them with regard to acquisition of Regulated Land Plots (RLPs) and elaboration of Detailed Site Development Plan. The first meeting of MME management with the village residents in Beli bryag was in 2008. All people attending the meeting were informed about the Company's prospects for the mining activities and the gradual entry into the village territories and the village itself. Later, more meetings were held in the village on the 5<sup>th</sup> of November 2010, 17<sup>th</sup> of December 2010, 28<sup>th</sup> of June 2011 and 15<sup>th</sup> of November 2014.

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<sup>19</sup> The current contract signed between MME and the security company has a validity of 4 years. A new contract will be concluded in November 2019.



Picture 2. Meetings between MME and Beli bryag residents

In view of the development of mining activities and their upcoming entry into the territory of the village, a survey was carried out by the Agency for Social and Marketing Research "AFIS" in 2009 on the people's attitudes and intentions regarding the planned resettlement. The survey was intended to suggest and orientate the Company's management on the approach and the mode of action in the circumstances arisen. It showed that the prospect for the village residents is not pleasant at all, but it is seen as inevitable and they expect to be compensated responsibly and to the greatest extent possible.

All deals for the acquisition of properties in the built-up area to date have been concluded on the principle of agreement between the seller and buyer. The Company has not applied a procedure of involuntary expropriation for land plots from the built-up area of the Beli bryag village. At villagers' request, it is envisaged that the process of voluntary sale and purchase will be completed by the end of 2019, and the process of expropriation will start in 2020. The whole resettlement process will be completed by 2023 when mining works are expected to reach the village.

Up to now, it can be argued that the village residents are aware of the necessity of upcoming displacement and most of them have taken the initiative to sell their residential properties by contacting the Company and submitting the necessary documents for conclusion of a sale and purchase agreement.

The socio-economic study carried out for the purposes of this RAP again made clear the attitudes and expectations of the residents related to resettlement.

After completion of the survey, the date **31<sup>st</sup> March 2016** was announced as a **cut-off date** through a notice published in the local newspaper and placed at the Mayor Delegate's office. After this date, all individuals who settle on the affected territory will not be eligible to compensation or other assistance and MME assumes no responsibility for their resettlement with the measures which the Company commits to provide for the people living there at the time of the survey.

On 27<sup>th</sup> July 2016 in the hall of the Mayor Delegate's office in Beli bryag, a meeting was held between the village residents and MME management<sup>20</sup>. During the meeting, the Company's representatives answered some of the residents' most pressing issues and committed to solve others. In turn, the village residents expressed their resettlement-related desires, concerns and discontent and set some demands.

<sup>20</sup> Minutes of Meeting is available in Attachment 9.



*Picture 3. Photos from public debates and direct meetings organised in Beli bryag*

In response to one of their requests – residents’ representatives to take part in the development of the Resettlement Action Plan for the village - MME initiated a series of meetings and discussions with the representatives designated by residents which were held as follows:

- on 12<sup>th</sup> August 2016 – the meeting was attended by Mr Evelin Petkov and Mr Zhelyazko Zhelyazkov on the residents’ part. The Company’s representatives introduced them to the requirements for the Plan development, the necessary steps to its implementation and the current stage of its development. The village representatives were provided with detailed information (electronic format and hard copies) on EBRD requirements and what has been done at MME to date, and were asked to make their demands regarding resettlement measures, which would be considered by MME later;

- on 2<sup>nd</sup> September 2016 – a second meeting was held attended by Mr Zhelyazko Zhelyazkov and Mr Lyubomir Nikolov, and Mr Evelin Petkov submitted his suggestions in writing. The parties agreed that a consultation would be held with the rest of the people living in the village and all their proposals and demands would be submitted in writing too, by 15<sup>th</sup> September 2016, in order to be considered and included in this RAP.

In November 2016, the first draft of the RAP developed by MME was submitted to the village Initiative Committee. In the beginning of February 2017, the RAP was again provided in the village Mayor's office, and on 1<sup>st</sup> March 2017, a joint meeting was held between MME and all the village residents, where all aspects of the RAP were clarified in details.

On 19 October 2017, the disclosure meeting of a revised draft RAP and GLAC was held, at which about 20 people attended. The revised RAP took into consideration and included the acceptable suggestions submitted in writing by the members of the Initiative Committee. The residents were given more time to read the documents and to submit suggestions.

During the month of November 2017, MME representatives had face-to-face meetings with the residents of Beli bryag. Through these meetings, the Company wanted to find out if people have read the revised RAP, if they have any suggestions or neclarities, if they need any forms of assistance that are not mentioned in the RAP and also their expectations about the amount of compensation.

The data collected during these meetings show that very few people have read the RAP and very few have suggestions related to it or questions about it. The need for assistance that the PAPs mentioned is mostly about transportation, loading and unloading the assets and provision of jobs. Also, although there were some exceptions, people do not have high expectations in terms of compensation, but they want it to be "fair". The feedback received in these face-to-face meetings was used as input in the revision of the final RAP document.

By the time of finalizing the RAP, meetings were held at the reception office in Beli bryag every second Thursday of every month.

## **7.2. Planned Disclosure of Information and Consultations**

During this year and the coming ones untill 2025, MME will continue holding the meetings at the reception in office in the village of Beli bryag, where an officially authorized representatives of the Company will provide, on a monthly basis, the necessary clarifications on the issues arisen, will hear the residents' opinions, suggestions and requests and will try to solve the problems or refer them to the Company's management to solve.

By the time of complete acquisition of the private properties in the village and final resettlement of people living in it, MME will organize meetings twice a year, where people will be given information and will be consulted on resettlement-related issues. People will be notified about the meetings through personalised letters.

MME hopes that this enhanced information activity and engagements undertaken will enable the Company to establish lasting relationships in sharing information with all affected persons, will provide clarity and transparency in these relations, and in this way will assist residents of the village of Beli bryag in the difficult resettlement process. Such an approach of open discussion will ensure full respect for their rights with regard to the manner of decision-making in the resettlement process.



## 8. IMPLEMENTATION OF RAP

### 8.1. Action plan for land acquisition and resettlement in the village of Beli bryag

The RAP is a living document and is subject to constant updating, based on local circumstances and PAP needs. The current RAP includes a generic action plan for land acquisition and resettlement for the period 2017 – 2023. A detailed action plan for year 2017 is included in the below table. Some of the actions that are envisaged for 2017 might repeat in other years. The engagement actions will be correlated with actions detailed in the Stakeholder Engagement Plan which will be developed and available at company level.

Table 22. Plan for land acquisition in the urbanized territories of the village of Beli bryag

Action/ Activity	Responsibility	Timescale
<b><i>RAP and GLAC disclosure</i></b>		
Disclose RAP and GLAC on project / company webpage	MME/EU-Funded Projects Unit/ Secretariat and Communication department	Q3 2017
<b><i>Resettlement – physical and economic displacement</i></b>		
Sending notifications	MME/ Property Unit	Ongoing
Direct meetings with PAPs	MME/ Property Unit	Ongoing
Negotiations	MME/ Property Unit	Ongoing
Signing of agreements	MME/ Property Unit	Ongoing
<b><i>Monitoring , evaluation and reporting</i></b>		
Biannual reporting on progress of RAP implementation	MME/ EU-Funded Projects Unit/	Ongoing
Annual progress report – prepared both internally and for external disclosure	MME/ EU-Funded Projects Unit/	Ongoing
A completion audit report prepared by an external consultant	External consultant	End of RAP implementation period
<b><i>Grievance mechanism</i></b>		
Maintaining an office in the village where people could address questions and seek advice on resettlement aspects. The office will be open every second Thursday of every month and will be functional during the entire resettlement process.	MME/ relevant departments but mostly Property Unit	Q1 2018
Establish a dedicated phone no. that is accessible free of charge for any PAP	MME	Q1 2018

### 8.2. Implementation responsibilities

The Resettlement Action Plan will be implemented by MME. The important role in coordinating and control on the implementation will be performed by the EU-Funded Projects Unit. The below scheme presents the implementation responsibilities within MME departments.

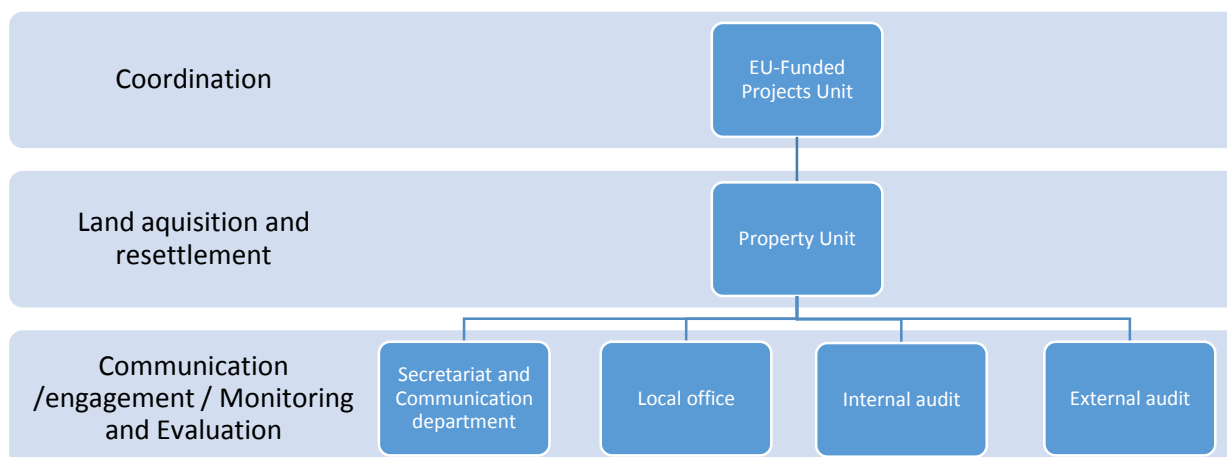


Figure 6. Implementation responsibilities of MME departments

The main commitment and actions related to the acquisition of properties shall be performed by "Property" Unit at the Investment Department. Observation and reporting of the process shall be performed by "EU-financed Projects" Unit at the same Department.

Organizing and holding of meetings with the residents, coordination with external services, administrations and institutions shall be a responsibility of Secretariat and Communications Department.

Providing of legal assistance and consultations on legal issues shall be carried out by the Legal Service at MME, as well as the lawyer at "Property" Unit at the Investment Department.

Given that the Project has a vast impact on the lives of Beli bryag villagers, this RAP cannot entirely foresee all the unexpected situations. During the RAP implementation, the coordinating unit will have flexibility in taking additional measures necessary to mitigate adverse effects, as well as correcting/completing missing or partial data, all these being reflected in the monitoring and reporting process.

### 8.3. Estimated Costs for RAP implementation

The process of acquisition of land, residential and non-residential structures within the area of mining activities requires considerable investments by the Company and is related to significant costs. MME plans these investments annually and allocates the necessary resources to ensure the smooth development of mining activities and to provide the necessary fuel for the generation of electricity by the power plants in the region.

As far as the properties within the urbanized territory of the village are concerned, an exact plan cannot be developed, due to the fact that each property is subject to evaluation only after the owner submits the necessary documentation. The evaluation, prepared by an independent evaluator, has a validity period of 6 months, and the service is paid by MME. In case an agreement is not achieved during this period and a deal of purchase and sale is not concluded, the evaluation becomes outdated after the period expiry. Upon the next decision by the owner to sell the property, a new evaluation shall be made. The price in it can be different, as one of the methods used in its elaboration is the "comparable sales" method, i.e., the prices of similar properties in the settlements of the similar functional type in the region are taken in consideration. This means that, a change in the prices of properties in the region results in a change in evaluations elaborated by the licensed evaluators.

For this reason, MME cannot accurately predict the funds which will be needed to acquire Regulated Land Properties and structures in the village for years to come. Thus, planning of the funds necessary for their

acquisition can be done based on the average prices of the already acquired properties so far and, therefore, it will be approximate. As far as the number of acquired properties per year is concerned, it depends on the personal decisions of the owners whether to sell their properties. The below table shows how many properties the Company intends to buy in the following years:

Table 23. Plan for acquisition of properties inside the built-up area

		2017	2018	2019	2020	2021	2022
Private properties	Land plots with residential structures	7	8	7	6	5	
	Land plots without residential structures	3	4	4	4	3	
Municipal and other RLP	Land plots with built structures and other RLPs				1	2	2
	Land plots without built structures					11	

The approximate amount necessary to acquire the remaining properties in the village of Beli bryag was calculated based on the average price of the required properties, plus the costs necessary for acquisition of the remaining non-private RLPs in the village (owned by the Mayor Delegate's Office of Beli bryag, Radnevo Municipality and the local cooperative - ACPS), including those for roads, power supply network and communications. The following ranges of prices have been used for estimating the overall costs with land acquisition:

- the price per square metre for a property within the built-up area of the village has varied between BGN 2 and BGN 10 per square metre during the period from 2010 to 2018, based on actual calculations of residential buildings and their surrounding properties, depending on their current condition and location.
- The price of agricultural land outside the built-up area of the village varies from BGN 150 to BGN 1250 per decare, depending on the condition and category of the land.

Table 24 presents the estimated costs for RAP implementation.

Table 24. Costs estimations with RAP implementation

	Estimated costs	
	BGN	EUR
<b>Direct Land acquisition costs</b>		
Properties in the built-up area of Beli bryag (with and without residential buildings)	2150000	1075000
Agricultural land outside the built-up area (2011 - 2043), including forestry	12195500	6097750
Street regulation	2297000	1148500
Closure of settlement	50000	25000
<b>Total direct costs</b>	<b>16692500</b>	<b>8346250</b>
<b>Indirect costs (additional measures)</b>		
Transitional assistance to PAPs (estimated at 5% from property value)	107500	53750
RAP disclosure	10000	5000
Completion audit for RAP implementation - external consultant	30000	15000
Operational costs for one year	16000	8000
<b>Total indirect costs</b>	<b>163500</b>	<b>81750</b>

<b>Contingency</b>		
1.5% of total direct costs	250388	125194
<b>Grand total</b>	<b>17106388</b>	<b>8553194</b>

#### 8.4. Monitoring and reporting

MME will monitor the RAP implementation until all displacement impacts have been mitigated and will continue for at least one year after compensations are provided for all PAPs and they are moved from the village.

An internal monitoring system shall be established at MME, consisting of the following:

- Establishment of a RAP Joint Implementation Committee comprised of representatives of Beli Bryag village and MME representatives.
- Progress monitoring of inputs and outputs which measures whether inputs are delivered on schedule and as defined in the LARF and the RAP; and
- Periodic measurement of outcome indicators against baseline conditions, obtained through the socio-economic survey.
- Monitoring the livelihood of each household for a period of 3 years after the compensation is provided. Case files containing initial livelihood information, as well as data obtained during monitoring will be opened for each household. The information will be collected through constant communication with the PAP and through a yearly livelihood restoration satisfaction survey. An example of a monitoring template and indicators, focusing specifically on RAP implementation and PAPs' livelihood restoration, is provided by the EBRD in their "Resettlement Guidance and Good Practice"<sup>21</sup>.

Table 25 below contains a list of indicators which will be used for monitoring:

*Table 25. Monitoring Indicators*

Indicator	Source of Information	Frequency of Measurement
<b>Input indicators</b>		
Number of consultation meetings, focus group meetings, results of consultation activities	Minutes of meeting / Reports	Biannually
Number of affected people/households, by category (formal or informal, owners or users, vulnerable groups) and types of impacts (physical displacement, temporary or permanent economic displacement, others)	MME resettlement database and grievance management records Valuation data	Biannually
Number and type of affected assets (land, houses, non-residential structures, crops, trees, etc.)	MME resettlement database Valuation data	Biannually
Overall spending on compensation, resettlement and livelihood restoration	MME financial data	Biannually
Number of staff dedicated to resettlement and compensation, with distribution in-house / outsourced (if applicable)	Property Unit, Management of EU-financed Projects Unit at Investment Department in MME	Annually

<sup>21</sup> Page 74, Annex 4 of the guideline. The EBRD Guideline can be found online at: <http://www.ebrd.com/publications/resettlement-guidance-good-practice.pdf>

Indicator	Source of Information	Frequency of Measurement
Timing of implemented activities in comparison to the RAP implementation schedule	Compare status of implementation to RAP schedule	Biannually
<b>Output indicators</b>		
Number of compensation contracts signed Number and % of compensation payments completed	MME resettlement database and financial data (contacts)	Biannually
Physical Displacement - number of people/households resettled, types of resettlement assistance provided	MME resettlement database	Annually
Livelihood restoration measures - types of measures implemented, implementation progress, number of beneficiaries	MME resettlement database	Annually
Results of the yearly Livelihood Restoration Satisfaction Survey – number and % of households with positive ratings	Yearly Livelihood Restoration Survey	Annually
<b>Outcome indicators</b>		
Number and type of outstanding or unresolved grievances	Grievance management records	Biannually
Average time for payment of compensation	Measure time between compensation agreement (property sale) and payment	Annually
Compensation to represent full replacement cost	Investigate, via direct meetings and interviews with affected persons, whether recipients of cash compensation was adequate to ensure no loss of income or livelihood	Annually
Use of compensation	MME resettlement database surveys	Annually
Physical displacement - satisfaction with new homes / assets / access to infrastructure and services, reestablishment of vegetable gardens / income	Individual meetings with people/households MME resettlement database	Annually
Income / livelihoods: <ul style="list-style-type: none"> <li>Changes in income level (maintained, increased, decreased)</li> <li>Success of livelihood restoration measures</li> </ul>	Individual meetings with people/households MME resettlement database	Annually

MME will maintain a database of the persons, households and businesses, whose properties have been affected by the progress of mining activities, as well as compensation and displacement and livelihood restoration measures that have been implemented. This database will include information about availability of vulnerable persons/ households and the type of their vulnerability.

Property Unit at the Investment Department in MME will be responsible for regularly updating the database. All information on APs, their possessions and their compensation payments and assistance measures will be kept confidential. An annual internal report about land acquisition and resettlement will be produced and presented to MME management team.

MME will produce biannual reports on the progress achieved with the implementation of the LARF and RAP. These reports will consolidate the information on compensation and resettlement/livelihood restoration measures, consultations, information on negotiations and results, provision of assistance to vulnerable groups, grievance management, etc. MME will document all meetings and consultations with minutes and photographs, and will submit these to EBRD, together with progress reports.

Information from these reports will be summarised and included in the MME Annual Environmental & Social Reports, distributed to relevant stakeholders, including EBRD.

At the end of RAP implementation, MME will engage an external consultant for a third party evaluation of RAP implementation process. The report produced by the external consultant will be publically disclosed.

## **9. GRIEVANCE MECHANISM**

MME has already developed a procedure for dealing with all grievances received related to land acquisition and resettlement process. This procedure aims at regulating of clear and effective rules of interaction between citizens and administration employees at MME, and at improving the efficiency of communication between both parties. It determines the order and responsibilities for lodging, registration, proceeding and replying of requests, grievances, suggestions, reports and queries to MME. Information about the grievance mechanism and the different ways it can be accessed will be disseminated through the Guide for Land Acquisition and Compensation that will be distributed to all PAPs. In addition, the contact details of the person from the company responsible with the grievance mechanism will be shared to the villagers at the monthly meetings with MME representatives. All of this will be posted at the Mayor Delegate's Office. Vulnerable persons will also be informed about the ways of accessing the grievance mechanism at the individual meetings with MME representatives, and they will be personally contacted about the evolution of their grievances if such are submitted. Attachment 10 includes the detailed grievance procedure of MME.

The below graph presents the overview of the grievance mechanism that will be in place for RAP implementation.

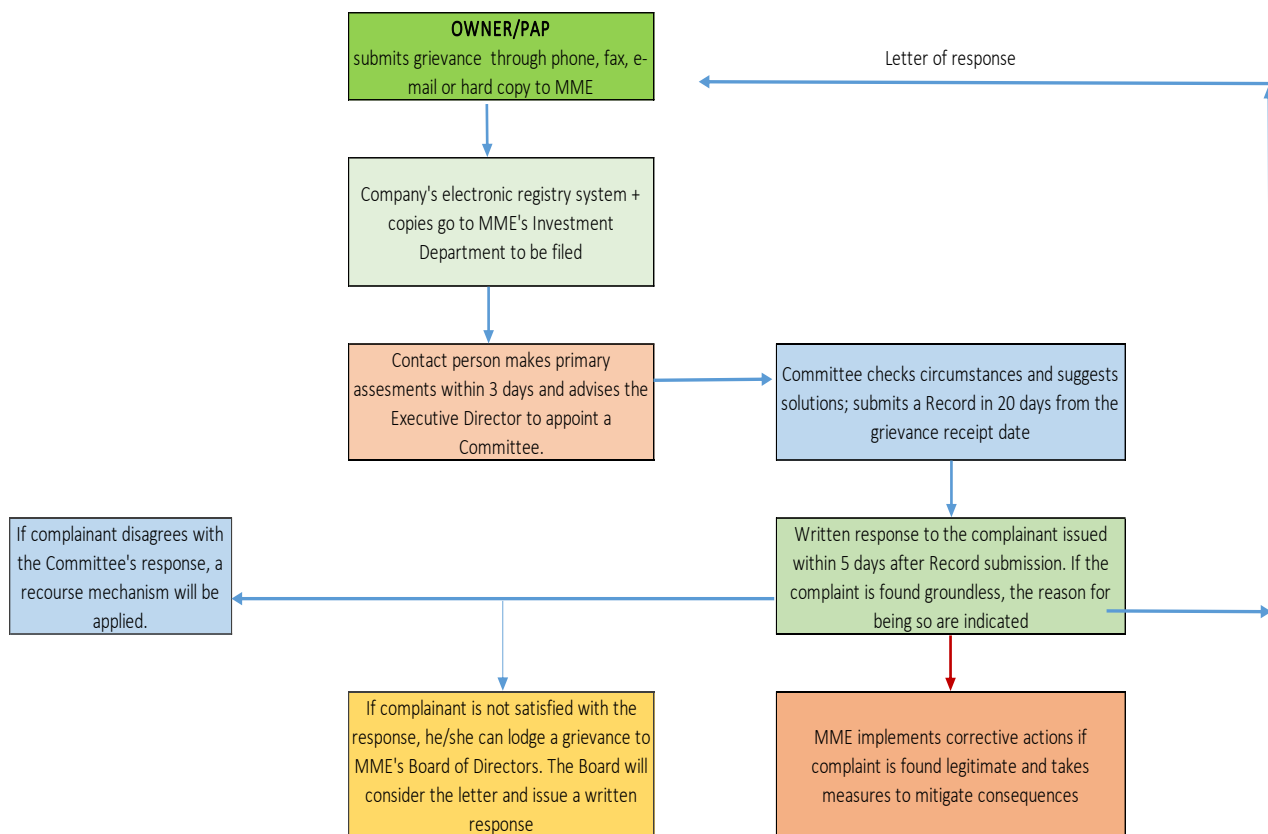


Figure 7. Grievance mechanism

The grievance process includes the following steps:

- Any person or institution has the right to lodge a grievance or an alert to the Management related to the procedure of property purchasing at each stage of the procedure. The owner/tenant shall legitimate himself or herself through a document of ownership/Rental contract and Identity card or a Letter of authorization with a notary certification of signature. Any other affected persons shall legitimate themselves through presenting their Identity card only.
- Requests, suggestions and queries can be lodged at MME by telephone, fax, e-mail and as a hard copy, as well as through the four mail boxes situated at the three mines and the Administration building of the Company. MME has also developed a grievance form approved by the Executive Director – PД- 5-03-03-01 that can be easily filled in. The contact details of MME are presented in chapter 10.
- Regardless of the form in which they are submitted, the requests, grievances, suggestions, reports and queries shall be registered at the Company's electronic registry system "Acstre Office", with a unique incoming number and the date of their submission. Anonymous grievances although cannot be replied to for obvious reasons, will nevertheless be investigated and if deemed appropriate the results of the investigation will be publicly available. Copies of the Letters of grievance shall be submitted to Investment Department at the Company's Administration building to be filed in the "Register of resettlement-related grievances".
- Once the document is registered in the Company's registry system, they are all put in the contact person's mailbox. The contact person shall get acquainted with the documents, shall make a primary assessment and address them to the competent employees to assist or respond by a written resolution, within a period of 3 days.
- After receiving the grievance, the Executive Director (advised by the respective competent person) shall appoint a Committee. The Committee shall in all cases include officials from Property Unit of Investment Department, a lawyer from Legal Department, as well as other persons related to the

subject of grievance. The Committee has to finalize its investigation in 20 days from the date of receipt of the Letter of grievance.

- Based on the findings and recommendations of the Committee listed in the Record issued, a written response to the complainant shall be issued, within 5 days. In case it is found that the complaint is legitimate, measures shall immediately be taken to stop illegal actions identified, as well as measures to mitigate their consequences.
- In case of disagreement with the Committee's response, a recourse mechanism shall be applied. The order of recourse or appeal can either follow the hierarchical order of management of MME (i.e. Board of Directors, Bulgarian Energy Holding /BEH/, Ministry of Energy, Prime Minister), or it can be directed to the ombudsman, National Legal Aid Bureau, NGOs etc.
- A "Register of resettlement-related grievances" will be kept and maintained by Property Unit of Investment Department at "Mines Maritsa-east" EAD – Administration building.

## 10. CONTACT DETAILS & RESPONSIBILITY FOR IMPLEMENTATION

MME is responsible for the implementation of RAP. The responsible persons at MME for fulfilment of the Resettlement Action Plan are:

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## Attachment 1. Map of mining progress

## Attachment 2. Questionnaire template used for socio-economic survey, 2016

### Questionnaire for the 2016 Socio-Economic Survey, *Beli Bryag* village

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#### Section 1: DATA ON AFFECTED HOUSEHOLD

1.1 First and last name of household head \_\_\_\_\_

1.2 Ethnic group \_\_\_\_\_

1.3 Phone contact number \_\_\_\_\_

1.4 Information on household

1.4.1 How long have you been living in the village?

	Full name	Relation with the household head	Year of birth	Sex	Main occupation Social group - employed, - pensioner, - unemployed, - student, etc.	Educational status	Actually living in the village Yes/No
1							
2							
3							
4							
5							
6							

1.4.2 Where do your children go to school/kindergarten currently?

in the village

in the town of Radnevo

elsewhere

### 1.5 Vulnerability Issues

Is anyone in the household suffering from:		
Physical disability	Yes <input type="checkbox"/> No <input type="checkbox"/>	If yes, indicate the number of the household member per the table above
Mental disability	Yes <input type="checkbox"/> No <input type="checkbox"/>	If yes, indicate the number of the household member per the table above
Chronic disease requiring regular medical attention	Yes <input type="checkbox"/> No <input type="checkbox"/>	If yes, indicate the number of the household member per the table above
Chronic disease requiring hospitalization	Yes <input type="checkbox"/> No <input type="checkbox"/>	If yes, indicate the number of the household member per the table above
Is there a single parent within the household?	Yes <input type="checkbox"/> No <input type="checkbox"/>	If yes, indicate the number of the household member per the table above
All household members are unemployed or without regular income	Yes <input type="checkbox"/> No <input type="checkbox"/>	
Other problems (please specify):		

### 1.6 Health condition (the following questions are prepared and recommended by the medical officer of *Mini Maritsa iztok* EAD – dr. Zh. Racheva)

Over the last 12 months, have you suffered any of the following diseases/illnesses?	<input type="checkbox"/> I have not been ill <input type="checkbox"/> Influenza/Cold <input type="checkbox"/> Sore throat/larynx <input type="checkbox"/> Headache/cephalalgia <input type="checkbox"/> Sleep disorders/somnipathy <input type="checkbox"/> Any trauma <input type="checkbox"/> Fatigue, exhaustion/symtosis <input type="checkbox"/> Other
Do you suffer any chronic disease?	<input type="checkbox"/> No chronic disease <input type="checkbox"/> Diabetes <input type="checkbox"/> Asthma <input type="checkbox"/> Other lung/pulmonary disease <input type="checkbox"/> Cardiovascular disease (ischemic heart disease) <input type="checkbox"/> Other cardiovascular disease <input type="checkbox"/> High blood pressure <input type="checkbox"/> Digestive system disease – gastrointestinal problems <input type="checkbox"/> Renal diseases <input type="checkbox"/> Locomotory system diseases – joint pains <input type="checkbox"/> Back and waist pains

	<input type="checkbox"/> Oncological disease <input type="checkbox"/> Other
Do you have a constant feeling of depression or fear?	<input type="checkbox"/> No <input type="checkbox"/> Moderate depression or fear <input type="checkbox"/> Distinct feeling of depression or fear <input type="checkbox"/> I am not able to answer
How many times over the last 12 months have you visited a doctor?	
Have you been to the emergency room over the last 12 months? How many times?	
How many times over the last 12 months have you been hospitalized for more than a night?	
How would you describe your own health condition?	<input type="checkbox"/> Poor <input type="checkbox"/> Fair/Satisfactory <input type="checkbox"/> Good <input type="checkbox"/> Very good <input type="checkbox"/> Excellent <input type="checkbox"/> I am not able to answer
Do you have any concerns regarding? – What are your concerns regarding the quality of the environment in the vicinity of your settlement? ( <u>more</u> than one answer is possible)	<input type="checkbox"/> Polluted ambient air <input type="checkbox"/> Contaminated soil <input type="checkbox"/> Dust <input type="checkbox"/> Noise <input type="checkbox"/> Water of poor quality <input type="checkbox"/> Other

Section 2: DATA ON AFFECTED PROPERTY

Total size: m<sup>2</sup>

Current usage	Mainly residential	Mainly agricultural	Forest	Pasture	Mainly business	Unused	Other (specify)

*Tick applicable box*

2.1 Type of property in ownership or in use

Yard Yes  No  if Yes, fill section 2.2

Residential structure/house Yes  No  if yes fill section 2.3

Other  (specify) \_\_\_\_\_

2.2 Affected yard in an urban area

2.2.1 Total size of the yard in use or in ownership of the household

**Regime of ownership and reference of documents**

With fully registered title	Legalisation in progress	Formal lease of public property  Owner:	Formal lease of private property  Owner:
Informal lease  Owner:	Fully informal ownership:	Shared ownership  YES / NO	If yes, other shareholders:

*Tick applicable box*

- If fully informal, in what circumstances did occupier come to occupy this plot:
- Has this property changed owner in the last 15 years? YES / NO

Data on the affected land:

2.2.2 Location (village name):
2.2.3 Cadastral information of the plot:

2.2.4 Actual use of the affected plot at the time of the survey	
2.2.4.1 Predominantly arable land	
2.2.4.2 Predominantly orchard	
2.2.4.3 Predominantly vineyard	
2.2.4.4 Other (specify)	
2.2.5 Cropping patterns on the affected arable land/yard	
Plant 1	
Plant 2	
Plant 3	
Plant 4	
Other (specify)	

2.2.6 Is this land the main source of living means or income for the household?	Yes <input type="checkbox"/> No <input type="checkbox"/>
2.2.7 Do you sell crops from this land?	Yes <input type="checkbox"/> No <input type="checkbox"/>
2.2.8 What is the percent of the entire crops that you sold in the last year? How much do you earn annually?	
Percentage sold	% _____
Annual revenue from sales	

2.3 Data on the affected construction structures (living residences, business premises)

**Regime of ownership and reference of documents**

With fully registered title	Legalisation in progress	Formal lease of public property  Owner:	Formal lease of private property  Owner:
Informal lease  Owner:	Fully informal ownership:	Shared ownership  YES / NO	If yes, other shareholders:

*Tick applicable box*

Building permit: YES / NO – Checked by enumerator – YES / NO

- If fully informal, in what circumstances did occupier come to occupy this property:
- Has this property changed owner in the last 15 years? YES / NO

Description of affected living residences	
2.3.1 Is this building a habitable/living residence?	Yes <input type="checkbox"/> No <input type="checkbox"/>
2.3.2 If yes, surface of:	
Living areas (inside size)	M <sup>2</sup>
Garden/Yard (2.2.1)	M <sup>2</sup>
2.3.3 Year of construction of the building	
2.3.3.1 What is the material type of the structure?	<input type="checkbox"/> brick-built <input type="checkbox"/> adobe <input type="checkbox"/> subpanel <input type="checkbox"/> timber/wooden

2.3.3.2 How many floors are there?	
2.3.4 General conditions of the living residence (tick the appropriate box)	
A new structure or very good conditions	<input type="checkbox"/>
Fair	<input type="checkbox"/>
Poor	<input type="checkbox"/>
Ruined/Unusable structure	<input type="checkbox"/>
2.3.5 The following conditions exist in the living residence:	
Kitchen	<input type="checkbox"/>
Bathroom	<input type="checkbox"/>
WC inside the house	<input type="checkbox"/>
Balcony	<input type="checkbox"/>
Telephone	<input type="checkbox"/>
Connection to water supply/pneumatic pump station	<input type="checkbox"/>
Connection to sewer system/outfitted with septic tank or hole	<input type="checkbox"/>
Connection to electric power network	<input type="checkbox"/>
Affected auxiliary structures	
2.3.6.1 Garage	yes <input type="checkbox"/> no <input type="checkbox"/>
2.3.6.2 Storage warehouse	yes <input type="checkbox"/> no <input type="checkbox"/>
2.3.6.3 Animal stable	yes <input type="checkbox"/> no <input type="checkbox"/>
2.3.6.4 Other (specify)	yes <input type="checkbox"/> no <input type="checkbox"/>
Affected business premises	
2.3.7. Type of business	
2.3.8. Year of establishment	
2.3.9. Number of employees	
Out of them how many are members of the household?	
Out of them how many are part-time employees?	
Out of them how many are women?	
2.3.10 Total monthly net salaries paid for employees (in all)	
2.3.11 Total yearly net income from business (sales-expenses-tax obligations + net income)	
2.3.12 Total monthly turnover	
Legal aspects of business	
2.3.13 Is business formally registered	yes <input type="checkbox"/> no <input type="checkbox"/>
2.3.14 If yes, what percentage of ownership shares your household?	

2.3.15 Are there any (industrial) pollutants of the environment in the vicinity of your settlement? (more than one answer is possible)

- factory/industrial enterprise
- termal power plant
- railway
- intensive highway

### Section 3: ECONOMIC DATA OF THE AFFECTED HOUSEHOLD

Sources of income:

- Salary
- Pension
- Social benefits/welfare
- Other (scholarship, agric. production, etc.)

Livelihood data	In total for the whole household
3.1 total yearly income from permanent wage employment	
3.2 total yearly income from occasional/seasonal wage employment	
3.3 total yearly income from retire and any other form of pensions	
3.4 total yearly income from sales of agricultural products	
3.5 total yearly income from other sources	
3.6 total yearly value in all of agriculture/diary products used for self consumption (for the whole household)	

3.7 Total yearly income from rents/leases (house, agriculture land)	
Indepthedness	
3.8 Does your household have any obligation to repay credit/loans?	yes <input type="checkbox"/> no <input type="checkbox"/>
3.9 If yes, monthly payment and total amount of remained credit/loan indebtredness	
monthly repayment	
total amount of remained credit/loan indebtredness	

3.10 Are there any members of your family who work in *Mini Maritsa iztok* EAD?

- yes, 1 member     2 members     3 members     none

### Section 4: RESETTLEMENT AND COMPENSATION

4.1 Which of the following problems your household members will encounter being affected by the Project?	
4.2 Loss of livelihood	yes <input type="checkbox"/> no <input type="checkbox"/>
Number of household females affected	
Number of household males affected	



4.3 Loss of social relations	yes <input type="checkbox"/> no <input type="checkbox"/>
4.4 Loss of property	yes <input type="checkbox"/> no <input type="checkbox"/>
4.5 Other (specify)	
4.6 Other (specify)	
4.7 What are the social and psychological consequences/effects from the resettlement for you and your family? (you may choose <u>more</u> than one answer)	<input type="checkbox"/> I will have to do without my circle of friends <input type="checkbox"/> I will have difficulties in adapting to the new place <input type="checkbox"/> I will experience mental/psychological stress resulting from the need to settle down to a new place <input type="checkbox"/> I will experience difficulties missing my familiar/usual social and native environment <input type="checkbox"/> I will partially lose some of my everyday activities such as working in the garden, etc. <input type="checkbox"/> other consequences (please, specify) _____ <input type="checkbox"/> I believe, I will not experience any of the above difficulties <input type="checkbox"/> I find it difficult to give an answer
4.8 How you (as a household) intend to solve the above-mentioned problems?	
Describe shortly	
Compensation preferences	
4.9 Assuming you are eligible for compensation, what do you prefer as a compensation?	
4.9.1 Resettlement for the household	Yes <input type="checkbox"/> No <input type="checkbox"/>
4.9.2 If yes, where?	

4.9.3 If no, why?	
4.9.2 Resettlement of business activity in another location	yes <input type="checkbox"/> no <input type="checkbox"/>
4.9.2.1 What is the most important for you in the selection of new settlement for your household?	
Proximity to current location	yes <input type="checkbox"/> no <input type="checkbox"/>
Adequate infrastructure	yes <input type="checkbox"/> no <input type="checkbox"/>
Other (specify)	
Other (specify)	
Other (specify)	
4.9.3 Do you accept a cash compensation?	yes <input type="checkbox"/> no <input type="checkbox"/>
4.9.4 Do you have another house that you could relocate?	yes <input type="checkbox"/> no <input type="checkbox"/>
4.9.5 If no, would you purchase another house or build a new one?	yes <input type="checkbox"/> no <input type="checkbox"/>
- Purchase another house	yes <input type="checkbox"/> no <input type="checkbox"/>
- Build another one	yes <input type="checkbox"/> no <input type="checkbox"/>

4.10 What kind of support you might need in respect with the resettlement? (you may choose more than one answer)

- assistance with moving to the new place – providing transportation, etc.
- assistance for re-establishment of the domestic and social activities and environment
- assistance in preparing documents required for accommodating in an institution for social services or other inst. depending on the indications
- assistance with matters related to the new place of residence registration
- assistance in managing with pension insurance matters
- consultation/advice on legal and social matters
- other (please specify) \_\_\_\_\_
- I do not need any kind of support/assistance
- I find it difficult to give an answer

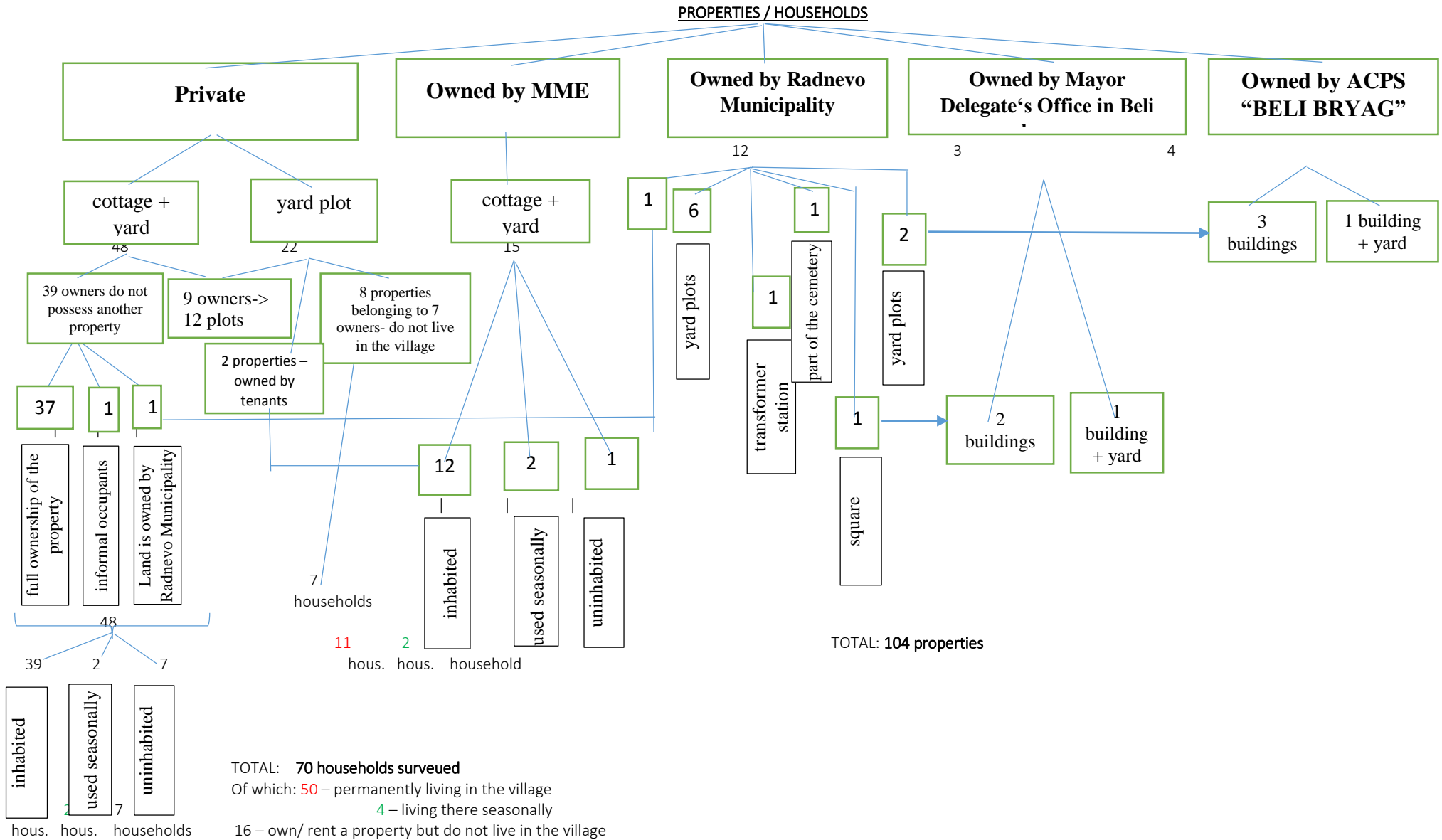
Thank you for your understanding and cooperation!

For interviewer (enumerator) only:
Questionnaire filled by:
Date of interview:
Time length of interview (in hours):

### Attachment 3. List of households included in the socio-economic survey

Due to entry into force of *the European Parliament and the Council's Regulation (EC) 2016/679 on protection of individuals with regard to processing of personal data and free movement of such data*, the list containing the full names of the owners and a description of the properties has been removed from the electronic version of the Resettlement Action Plan.

# Attachment 4. Diagram of ownership in Beli bryag



## Attachment 5. Agricultural Land Acquisition Procedure

The process of agricultural land acquisition shall be executed by the “Property” Unit at Investment Department and consists of the following stages:

1. The three mines shall submit their orders to the Company Management through the annual mining project for the respective year, specifying the agricultural properties they will need in order to ensure their own development.
2. Experts from the “Property” Unit at Investment Department shall prepare registers about the needed properties, which contain information about the area, category, the way of permanent usage, as well as data about the owners, respectively the heirs, their administrative and permanent addresses. The necessary data shall be required from the Municipal services of “Agriculture” and Civil Registration and Administrative Services, in accordance with the property location.
3. The elaboration of properties market evaluation shall be assigned to an independent certified appraiser, and shall be done in compliance with the layouts and descriptions of them placed at his/her disposal.
4. The Board of Directors of “Mini Maritsa-iztok” EAD shall receive and approve the market evaluations for land property acquisition and shall give its consent for the Executive Director to negotiate with the owners or authorized persons.

Failure to achieve a consent with the land property owners or heirs about the price, as well as their square refusals of willing sell, which happened in 2006-2007, would result in actual suspension of such land property acquisition by the Company. This would endanger and impede mines development, and in a long-term period it might lead to cessation of the mining process. In relation to this, by its decision defined in Protocol №16-2007/06.12.2007, item 3.2, the Board of Directors of “Mini Maritsa-iztok” EAD gives its consent for the Company to negotiate for purchasing of land properties up to maximum purchase prices depending on their categories, defined as follows:

III category – 1250 BGN /decare

IV category – 1000 BGN /decare

V category – 850 BGN /decare

VI category – 600 BGN /decare

VII category – 400 BGN /decare

VIII category – 300 BGN /decare

IX category – 200 BGN /decare

X category – 150 BGN /decare

5. Together with the approved market prices, the Board of Directors of “Mini Maritsa-iztok” EAD shall give its permission to negotiate for buying and selling of each specific property, at the conditions specified in Protocol №16-2007/06.12.2007, item 3.2.

6. Notification letters shall be prepared, through which the owners/heirs of land properties are offered purchasing of their land at the price defined by the certified appraiser. The territory, the number of the

land property, the area, the address and telephones to connect to Company's employees shall be specified in the letters.

Negotiations shall be carried out and after agreeing on a price in written, the owners shall submit all the documents necessary for the deal: documents of ownership, layout, tax evaluation, certificate of inheritance, authorization letters etc.

7. According to Rules for order, conditions and procedure of decision making by the Board of Directors of "Bulgarian Energy Holding" EAD, as well as with regard to the Decision of BEH BD's made by Minutes of Meeting № 23-2015/12.05.2015, item II.7.1., regarding the lack of need to ask for permits for the acquisition of assets with a value below the one specified in Art. 20, para. 2, item 15 of the Statute of "Mines Maritsa-East" EAD, the Executive Director shall prepare a report to the Board of Directors of "Mines Maritsa-East" EAD.

The Board of Directors of " Mines Maritsa-East" EAD shall review the prepared report at its meeting, together with the attached documents, evaluations, offer for price, and shall give its permit to the Executive Director or a person authorized by him / her EAD to purchase the agricultural lands at conditions and prices specified in the Protocol.

8. Through a notarial deed /contract/ of buying and selling, and by paying the respective price, "Mini Maritsa-iztok" EAD shall acquire ownership on the agricultural lands. The notarial deed shall be duly entered, and the change of the ownership shall be registered in the Municipal service of agriculture, in accordance with the property location. All costs of ownership transfer shall be at the expense of "Mini Maritsa-iztok" EAD.

9. Copies of notarial deeds shall be sent to "Bulgarian Energy Holding" EAD for information.

10. Copies of notarial deeds shall be sent to the respective mine also.

## **Attachment 6. Property Acquisition Procedure for properties situated in the built-up area**

The procedure is carried out by the "Property" Unit at Investment Department and comprises the following activities:

1. Application by the property owner (s) for sale, with copies of the necessary documents attached:

- Response Letter of agreement by the owner;
- document of ownership;
- certificate of inheritance (in case the property is inherited);
- layout of the property;
- certificate of tolerable construction (if necessary);
- certificate of identity of the property according to the plan (if necessary);
- tax assessment;
- inventory of perennial plants (in case there are such within the property);
- identity card (of all owners).

2. Check of the documents before the property assessment is assigned;
3. A Letter of assignment shall be sent to the assessors to prepare an assessment, and copies of the documents specified in item 1 shall be attached.
4. A date for property inspection shall be appointed after agreeing with the owner/s, and the inspection shall be carried out together with the assessor; All improvements shall be described and photographs shall be taken;
5. After submission of the completed assessment, a Report shall be prepared to the Board of Directors of "Mini Maritsa-iztok" EAD for approval, confirmation of the assessment and giving a permit for negotiations for purchasing the property, with the following documents attached:

- a report defining the property market value, prepared by a certified evaluator;
- a copy of the owner's application;
- a map of the property layout;

6. After the Protocol is submitted by the Board of Directors of "Mini Maritsa-iztok" EAD, a date for preliminary discussions with the property owner/s shall be appointed;

7. *(Amended and supplemented, in accordance with an approved report of MME's Executive Director, Outg. № 8931/14.09.2016).* During the negotiations and at owner/s request, the latter has the right:

- to get acquainted with the property evaluation report prepared by the certified evaluator;
- to receive on paper a "summary" of the assessment of the property да получат на хартиен носител «резюме» на изготвената оценка на имота;
- to consider the proposed purchase price and within 1 (one) month from receiving the "assessment summary" to decide on the sale of the property;

Resulting from the negotiations carried out, the following outcomes are possible:

7.1. in case an agreement on the price is achieved, a preliminary contract for buying and selling of the property shall be signed;

7.2. in case of disagreement, a protocol of negotiations carried out shall be signed, in which the disagreement of the owner/s on the price shall be stated, by which the procedure is ceased;

7.3. in case of inability to make a decision - on the day of the negotiations a protocol for negotiations carried out shall be signed, in which it is noted that the property owner's final decision shall be postponed for a period of 1 / one / month.

7.3.1 In case the owner/s/ decide that he /they/ agree to sell their property at the price offered, within the 1-month period, the parties shall sign a preliminary contract for the property purchase and sale;

7.3.2. Upon a written refusal by the owner (s) within 1 (one) month period, the procedure shall be terminated;

7.3.3. in case no written response is received by the owner (s) in the 1 (one) month period, it is assumed that they do not agree with the proposed price by which the procedure shall be terminated.

8. After an agreement is achieved and a preliminary contract for buying and selling of the property is signed, a Report to the Board of Directors of MME shall be prepared, with a request for giving a permission for purchasing the property, with the following documents attached:

- a copy of the signed preliminary contract for the property purchase and sale;
- copy of the decision of the Board of Directors of MME EAD to approve, confirm the evaluation, and give permission to negotiate for the purchase of the property;

9. After MME's Board of Directors issues the permit of property purchasing, a date for property buying and selling shall be appointed with a Notary;

10. Buying and selling of the property and Performance of the Formalities Related to the Deal at the Notary's Office.

11. After receiving of the Notary deed for the property purchased, letters shall be prepared and sent to:

11. 1. "Bulgarian Energy Holding" EAD – reference information, related to the implementation of Art. 48 of "Rules for the order, conditions and procedure of decision making by the Board of Directors of "Bulgarian Energy Holding" EAD for granting permits, approvals or coordination, in its capacity of an entity exercising the right of a sole shareholder and solving the issues of the competence of the General Assembly of subsidiaries", and a copy of the Notary deed of the property is attached to the letter.

11.2. "Finance and Accountancy" Department at the Administration building, regarding elaboration of an accounting reference of the property, attaching: a copy of the notary deed; copy of the Decision of MME's Board of Directors; copy of the assessment of the property market value;

11.3. "Security" Department and Electricity Distribution Region "Maritsa-iztok" Department at the Administration building – reference information about the property purchased – copy of the notarial deed for the property;

12. After receiving the accounting reference, it shall be sent to the Manager of "Trojanovo-north" Mine, together with the Notary deed, in order to be registered in the Mine's balance sheet;

13. The property purchased shall be written down in the register of properties (regulated) which are property of "Mini Maritsa-east" EAD;

14. The ownership shall be entered on the map of the town as well;

15. Each property's documentation shall be packed in an individual file (dossier), which is stored in the archives of the "Property" Unit at Investment Department after the completion;

16. In case of absence of interest in the use of purchased property, knocking down shall be undertaken, as required by Law on Spatial Planning.

17. In case of interest – for renting, the next procedure shall be applied, which includes certain actions.

***(Amended in accordance with a Decision of MME's Board of Directors objectified in Minutes of Meeting №21-2016/10.09.2016).*** In the negotiations for the purchase price, the wish of the owner/s shall be considered – whether they would like to use the property after the purchase as tenants. They have the right to use the property for free for a period of 24 /twenty-four/ months from the date of purchase /Notary-attended deal/ in accordance with Decision of the Board of Directors objectified in *Minutes of Meeting №21-2016/10.09.2016*. The aim of this decision is to enable sellers to move out of the property, as well as to buy an equivalent property in another location. After the expiry of the 24-month grace period,



tenants can use the property against rent for up to 3 /three/ years, by simply going to the following procedure:

**I. Rental of property through direct negotiations with potential tenants - pensioners – former employees of "Maritsa - Iztok" EAD:**

1. A Letter of application shall be submitted to the Manager of the mine, for renting of a property for a period up to 3 /three/ years;

2. After the Letter of application has been considered by the housing commission of the corresponding mine, the Manager of the mine shall send a letter to the "Property" Unit at Investment Department with the following documents attached:

- a copy of the person's Letter of application to the Manager of the mine;
- copy of the Protocol by the housing commission of the mine;
- Letter of opinion by the Manager of the mine;
- certificate stating that the person has worked in "Mini Maritsa-iztok" EAD;

3. A Letter of assignment shall be sent to a licensed appraiser, with copies of ownership documents and balance statement for the corresponding property attached to it, in order to determine the rental market value for the property.

4. After receiving the final evaluation of the rental market value for the property, a report shall be issued to the Board of Directors for approval, confirmation of the assessment and giving a permission to sign a rental contract at a price representing 50% of the monthly rent determined by the licensed appraiser.

5. When a decision of the Board of Directors to contract is made, a Declaration of consent on the rental price of the property shall be prepared for the corresponding potential tenant.

6. After signing the Declaration of consent on the rental price, an Order of accommodation and the Tenancy Contract for the property with the respective tenant shall be issued.

7. In a letter to the Manager of the respective mine, a copy of both the Order of accommodation and the Tenancy Contract shall be sent with instructions about the following:

- the property shall be transmitted through a bilateral Record of handover, a copy of which shall be sent to the "Property" Unit at Investment Department for the property file;
- the Contract shall be entered into the monthly rental references in the mine.

8. In a letter to the Executive Director of "Bulgarian Energy Holding" EAD, the following documents shall be sent:

- a copy of the Tenancy Contract;
- a copy of the Order of accommodation by the Executive Director of "Mini Maritsa-iztok" EAD;
- information about the tenant – worker/employee at "Mini Maritsa-iztok" EAD, position and duration of employment at the Company or a retired worker/employee at the Company;
- the Report of defining the rental market value for the property, defined by the certified assessor.

9. In case of disagreement with the rental price of the property /the disagreement shall be expressed in written in the Declaration/, transfer of the property shall be proceeded, as well as presentation of the following documents:

- invoice issued by "EVN Bulgaria Power Supply" EAD of disconnected power supply from a post;
- statement of no liabilities to "EVN Bulgaria Electricity" EAD;
- certificate or statement issued by "Water Supply and Sewerage" EOOD of disconnected water supply and no liabilities to the company.
- certificate or statement of disconnected telephone and no liabilities.
- invoice of paid taxes on the property;
- keys for the property.

9.1. The Manager of the respective mine shall be notified by a Letter that it is necessary to accept the property by a tenant

9.2. The acceptance of the property shall be carried out by a representative of the respective mine whose balance sheet comprises the property, through a bilateral Record of handover. A copy of the latter shall be sent to the "Property" Unit at Investment Department to be added to the property file.

10. Upon expiry of the rental period, in case of interest by the same tenant, the procedure shall be repeated.

## **II. Rental of property through direct negotiations with potential tenants – current workers and employees of "Maritsa-iztok" EAD:**

1. A Letter of application shall be submitted to the Manager of the respective mine, for renting of a property for a period up to 3 /three/ years;

2. After the Letter of application has been considered by the housing commission of the corresponding mine, the Manager of the mine shall send a letter the "Property" Unit at Investment Department with the following documents attached:

- a copy of the person's Letter of application to the Manager of the mine;
- copy of the Protocol by the housing commission of the mine;
- Letter of opinion by the Manager of the mine;
- certificate stating that the person works in "Mini Maritsa-iztok" EAD;

3. A Letter of assignment shall be sent to a licensed appraiser, with copies of ownership documents and balance statement for the corresponding property attached to it, in order to determine the rental market value for the property.

4. After receiving the final evaluation of the rental market value for the property, a report shall be issued to the Board of Directors for approval, confirmation of the assessment and giving a permission to sign a rental contract at a price determined by a certified assessor, after obtaining the consent of the prospective tenant on the determined monthly rental price.

5. When a decision of the Board of Directors to contract is made, a Declaration of consent on the rental price of the property shall be issued for the corresponding potential tenant.

6. After signing the Declaration of consent on the rental price, an Order of accommodation and the Tenancy Contract for the property with the respective tenant shall be issued.

7. In a letter to the Manager of the respective mine, a copy of both the Order of accommodation and the Tenancy Contract shall be sent with instructions about the following:

- the property shall be transmitted through a bilateral Record of handover, a copy of which shall be sent to the "Property" Unit at Investment Department for the property file;
- the Contract shall be entered into the monthly rental references in the mine.

8. In a letter to the Executive Director of "Bulgarian Energy Holding" EAD, the following documents shall be sent:

- a copy of the Tenancy Contract;
- a copy of the Order of accommodation by the Executive Director of "Mini Maritsa-iztok" EAD;
- information about the tenant – worker/employee at "Mini Maritsa-iztok" EAD;
- the Report of defining the rental market value for the property, defined by the certified assessor.

9. In case of disagreement with the rental price of the property /the disagreement shall be expressed in written in the Declaration/, transfer of the property shall be proceeded, as well as presentation of the following documents:

- statement of no liabilities to "EVN Bulgaria Electricity" EAD;
- certificate or statement issued by "Water Supply and Sewerage" EOOD of disconnected water supply and no liabilities to the company.
- certificate or statement of disconnected telephone and no liabilities.
- invoice of paid taxes on the property;
- keys for the property.

9.1. The Manager of the respective mine shall be notified by a Letter that it is necessary to accept the property by a tenant

9.2. The acceptance of the property shall be carried out by a representative of the respective mine whose balance sheet comprises the property, through a bilateral Record of handover. A copy of the latter shall be sent to the "Property" Unit at Investment Department to be added to the property file.

10. Upon expiry of the rental period, in case of interest by the same tenant, the procedure shall be repeated.

### **III. Rental of property through direct negotiations with potential tenants – prospective tenants out of "Maritsa-iztok" EAD:**

1. A Letter of application shall be submitted to the Manager of the respective mine, for renting of a property for a period up to 3 /three/ years;

2. After the Letter of application has been considered by the housing commission of the corresponding mine, the Manager of the mine shall send a letter to the "Property" Unit at Investment Department with the following documents attached:

- a copy of the person's Letter of application to the Manager of the mine;
- copy of the Protocol by the housing commission of the mine;
- Letter of opinion by the Manager of the mine;

3. A Letter of assignment shall be sent to a licensed appraiser, with copies of ownership documents and balance statement for the corresponding property attached to it, in order to determine the rental market value for the property.

4. *(Framework Permit by BEH EAD, MoM No. 11-2016/01.03.2016)* After receiving the final evaluation of the rental market value for the property, a report shall be issued to MME's Board of Directors for approval, confirmation of the assessment and giving a permission to sign a rental contract at a price determined by a certified assessor, after obtaining the consent of the prospective tenant on the determined monthly rental price, to issue a suggestion to "Bulgarian Energy Holding" EAD about giving a permission for renting the property.

5. When a decision of MME's Board of Directors to contract is made, a Declaration of consent on the rental price of the property shall be issued for the corresponding potential tenant.

6. After signing the Declaration of consent on the rental price, an Order of accommodation and the Tenancy Contract with the respective tenant for the property shall be issued.

7. In a letter to the Manager of the respective mine, a copy of both the Order of accommodation and the Tenancy Contract shall be sent with instructions about the following:

- the property shall be transmitted through a bilateral Record of handover, a copy of which shall be sent to the "Property" Unit at Investment Department for the property file;
- the Contract shall be entered into the monthly rental references in the mine.

8. The acceptance of the property shall be carried out by a representative of the respective mine whose balance sheet comprises the property, through a bilateral Record of handover. A copy of the latter shall be sent to the "Property" Unit at Investment Department to be added to the property file.

9. In a letter to the Executive Director of "Bulgarian Energy Holding" EAD, the following documents shall be sent:

- a copy of the Tenancy Contract;
- a copy of the Order of accommodation by the Executive Director of "Mini Maritsa-iztok" EAD;

10. In case of disagreement with the rental price of the property /the disagreement shall be expressed in written in the Declaration, the proceedings shall follow the instructions described in item 9 of the previous section.

Upon expiry of the rental period, in case of interest by the same tenant, the procedure shall be repeated. The property rental procedures described in sections I, II and III shall be applied to the cases when the tenants have been former owners of the properties and have used the property for free for a period of 24 /twenty-four/ months from the date of purchase /notary deed/.

In the cases when the owner /Seller/ does not want to use the property after the date of purchase, on the day of the Notary deed, they shall be obliged to present and submit to the Buyer /"Mini Maritsaiztok" EAD/ the documents specified in item 9 section II, and a bilateral Record of handover is issued for that. A copy of the latter shall be sent to the "Property" Unit at Investment Department to be added to the property file.

## Property assessment

The assessments of the properties shall be elaborated by a certified assessor possessing a license by the Privatization Agency for assessment of property, machines and equipment and whole state and municipal companies, transformed or not transformed trading companies.

The assessment of each property shall proceed in the following sequence:

1. Receiving and submission of documents of ownership on the property;
2. Inspection of the property together with the Seller /or their representative when the property is uninhabited/, Buyer's representative and assessor;
3. Issuance of a Report about the assessment carried out, with property photographs attached.

## Attachment 7. Land use change procedure

For the proper development of coalmining carried out by "Mini Maritsa-iztok" EAD, it is necessary to implement a change-of-use procedure for purchased agricultural lands, in accordance with the terms and conditions of the Law on Protection of Agricultural Lands (LPAL) and the Rules for implementing the LPAL.

The change-of-use procedure comprises 2 stages – choosing a site and change of its use, both shall be initiated and carried out by the "Property" Unit at Investment Department.

By its Decision PK3-9 dated 28.12.1995, the Agricultural Land Commission has approved the locations (grounds) for designing the sites for mines development at "Mini Maritsa-iztok" EAD, on an area of 157 914 decares of agricultural land.

To initiate a change-of-use procedure, a mandatory condition is the availability of a Detailed Site Development Plan approved and in effect.

The process of change of use comprises the following stages, in compliance with the requirements of Art. 30 and Art. 40 of Regulations for implementation of the Law for Protection of Agricultural Lands (ΠΠ3033):

1. Preparation of registers, layouts, maps with co-ordinates of the properties whose use is to be changed, certified by the Municipality offices of agriculture or GCCO (Geodesy, Cartography and Cadaster Office), depending on the location of the properties.
2. Composition of an Application for issuance of a Certificate of irrigation capability by the branch of "Irrigation Systems" EAD.
3. Composition of an Application for issuance of Categorization Statements by the respective "Agriculture" Regional Directorate.
4. Following an Application by the owner or the Site Investor, the Regional Governor shall prepare a Proposal to the Commission for agricultural lands, in compliance with Art. 17, Para. 1 and Art. 18 of Law for Protection of Agricultural Lands (LPAL).

The Proposal shall contain the following items: Detailed Site Development Plan approved and in effect; layouts, registers and maps with co-ordinates of the properties subject of the Proposal, certified by the Municipality offices of agriculture or GCCO; Certificate of irrigation capability; Categorization Statements; copies of ownership documents; an effective Decision of the Agricultural Land Commission for location (ground) selection; Health Statement; statements by the Regional Inspectorate of Environment and Water, Water Supply and Sewerage etc.; projects for mines operation and reclamation etc.

5. The commissions under Art. 17, Para. 1 of LPAL shall discuss the Proposal and issue a Decision for change of the use of agricultural lands. In the Decision of the Commission, the amount of the fee shall be indicated, as specified in accordance with the rate payable under Art. 30 of LPAL for the whole area or the respective stage.

**The Decision for change of use of the land comes into effect after the due fee for the property is paid.**

6. Payment of fees for change of use and receiving of a Transcript of the Decision of the Commission for agricultural lands.

7. Entering the changes in the land status and way of permanent usage at the Municipality offices of agriculture and GCCO.

8. Notification of the mines about the changes in the land status and way of permanent usage.

The latest change-of-use procedure was in 2013, concerning 303 pcs of agricultural properties, as follows:

<b>Territory</b>	<b>Number of properties</b>	<b>Area/decares/</b>
Residential district of Gipsovo	1	4,326
Village of Beli bryag	23	386,578
Village of Troyanovo	36	410,275
Village of Ovchartsı	100	966,992
Village of Polski gradets	68	1368,208
Village of Glavan	1	9,000
Village of Pomoshtnik	23	155,640
Village of Madrets	51	384,173
<b>TOTAL:</b>	<b>303</b>	<b>3685,192</b>

### **Change of the use of land properties in forest areas**

Within the scope of the effective Detailed Site Development Plans there are land properties in so called forest areas as well. The Executive Forest Agency is an authorized body for implementation of the administrative change-of-use procedure. A commission is formed at the Agency, which reviews the submitted files for properties with an area of over 50 decares; and the Regional Forest Directorate – in cases when the change of use is for properties smaller than 50 decares. The commissions are appointed by an Order of the Minister of agriculture and food.

In accordance with the current Forestry Act, effective since 2011, a period of one month is provided for carrying out previous agreement and change of use /for each of the procedures/ from submitting the application before the administrative body.

To change the use of land properties in forest areas the company makes a request for prior agreement by submitting the following documents:

1. property layout or draft-layout from the cadastral map or from the map of the restituted property, coordinated by the respective Regional Forest Directorate, in accordance with the property location;

2. approved Terms of Reference for elaboration of Detailed Site Development Plan, prepared in compliance with the provisions of the Law on Spatial Planning;
3. Decision of Municipality Council – about land properties in forest areas belonging to municipalities.
4. standpoint of the Minister of Environment and Water.

When state-owned land properties in forest areas are requested, the competent authority, before giving its statement, officially requests an opinion from the respective state forestry or state hunting reserve.

Approving of such a Detailed Site Development Plan (DSDP) under the Law on Spatial Planning (LSP) shall be done after prior coordination of the change of use of the land in forest areas. (Art. 75, Para. 4 of the Forestry Act).

After approval of DSDP under the LSP, an application shall be submitted to the body having issued the decision on preliminary coordination on changing the use of land properties in forest areas, completed with the following documents (Art. 75, Para. 4 of the Forestry Act), along with the following documents:

1. document of ownership – for land properties in forest areas which are not state-owned, and in case the application is submitted by an investor, the owner’s written agreement is required as well;
2. outline of the property from the cadastral map or from the map of the restituted property, coordinated by the respective Regional Directorate of Forestry, in accordance with the property location;
3. approved Detailed Site Development Plan and a certificate of effectiveness of its approval issued by the authority which has approved it;
4. property estimation according to the Regulation under Art. 86, Para. 2 of the Forestry Act;
5. effective administrative acts issued under Chapter Six of Law on Environment Protection or under Biological Diversity Act, or an opinion of the competent environmental authority under both laws;

The Executive Director of the Executive Forest Agency shall issue a proposal to the Minister of Agriculture and Food with a draft for the administrative act - Order. The Minister of Agriculture and Food, following the proposal of the Executive Director of the Executive Forest Agency, shall issue an Order for changing the use of the land properties from the forest fund.

Within a period of three months after handing the acts under Art. 14r, item 1 (Art. 19, Para. 7 of the Forestry Act, repealed), the Company shall pay the amounts due for compensatory afforestation and change of use determined by the Ordinance on assessment of land in forest areas (Promulgated SG, issue 63 dated 16.08.2011).

In case of failure to pay within the above mentioned period, the Company’s rights shall be lapsed. Considerable funds are needed, which the “Property” Unit at Investment Department shall plan and shall submit a Report to “Finance and Accountancy” Department in order to ensure funding.

## **Attachment 8. Expropriation procedure**

When purchasing land properties needed for mining activities, the individual approach and the pursuit of maximum satisfaction of the PAPs’ wishes are leading. Negotiations and conversations shall be carried out with the owners.

When flatly no agreement has been reached with the owners or holders of other real rights on the properties or parts thereof, the energy company-concessionaire, MME shall have the right to ask the Minister of Economy and Energy to take actions towards involuntary expropriation of properties under the State Property Act in the case of extraction of energy resources to meet state needs.

The procedure of involuntary expropriation shall be initiated and executed by the “Property” Unit at Investment Department and comprises the following stages:

1. Assignment and elaboration of properties assessments /equivalent cash compensations/, coming within the concession shall be done by an independent certified assessor.

The determination of the equivalent cash compensations for expropriation shall be carried out in accordance with the requirements of Article 32, Para 2, Para 3 and Para 4 of the Law on the Protection of Human Rights. They are determined in accordance with the function of the property prior the Detailed Development Plan came into force, based on the market prices of properties with similar characteristics located near the properties being expropriated. For this purpose, Mines Maritsa-East EAD shall require from the Registry Office notes containing all entered real estate transactions located near the expropriated ones for a period of 12 months back from the expropriation beginning.

2. Issuance of a report to the Board of Directors of “Mini Maritsa-iztok” EAD, about approval of assessments /equivalent cash compensations/ and making a decision for buying of the properties, and in case of failure to reach an agreement, initiation of the procedure of involuntary expropriation shall be proceeded.

3. Gathering of information about the owners from the Municipal service of agriculture, Municipality administration - Civil Registration and Administrative Services and Registry Service – issuance of layouts, certificates of heir and data about their permanent and administrative addresses.

4. Notification of the owners with a proposal for purchasing of their properties, through handing in Notary invitations.

To all owners, and heirs respectively, notary invitations shall be given, indicating the expropriation compensation, and upon owners’ consent to make a voluntary purchase, they may, within one month, submit all necessary documents to the Company and carry out the procedure described in item 5.1 for the acquisition of agricultural lands.

5. Receiving of a Letter of opinion from the owners concerning their agreement or refusal to sell their properties – explicit in written or by giving no reply within 1 month after handing in the Notary invitations.

6. Issuance of Request for expropriation.

The request shall be made to the Minister for Energy to take action on the expropriation of the property and shall meet the following conditions:

It shall specify the characteristics, type, location and size of the property and data about the owners, respectively about the holders of other real rights. The evidence is attached to the request that:

- a) the properties are within the concession area and they are needed or obstruct the implementation of the activities under the approved overall work project for the extraction of the energy resource;



b) the concessionaire has offered the owners, or the holders of other real rights, the purchase of their real estates at prices not lower than the prices that would have been determined under Chapter Three of the SPA for involuntary expropriation for state needs;

c) the owners, respectively the holders, within one month of receiving the offers, have silently or explicitly rejected them;

d) a Detailed Development Plan which has entered into force.

The following documents shall be applied to the request:

- Effective Detailed Development Plan;
- Documents of ownership, layouts and addresses from Municipal Office of Agriculture, Municipal Administration, the respective Property Registry Office depending on property location, Certificates of Inheritance;
- Updated property valuation;
- Financial justification of the proposal for expropriation;
- Evidence of lack of consent, notarial invitations and letters of formal refusal;
- Approved overall project for the extraction of the energy resource, which indicates that the properties are needed or obstruct the implementation of the task envisaged in it.

7. Approval or refusal of the Request for expropriation – a Letter of opinion shall be issued by the Minister of Regional Development and Public Works about the availability of grounds for expropriation and a Letter of opinion by the Minister of Finance about the financial security of expropriation.

8. Proposal for expropriation shall be issued by the Minister of Regional Development and Public Works the Minister of Finance to the District Governor.

Expropriation shall be made by an Order of the District Governor at the proposal by the Minister of Regional Development and Public Works (MRDPW) and the Minister of Finance. The District Governor shall publish, at the expense of the investor, a notice in 2 central and one local daily newspapers on the commencement of expropriation procedure and shall send a copy thereof to the mayors of territories where the properties subject of expropriation are located. The announcement is also published on the MRDPW and the relevant Municipality's website.

9. Order of expropriation shall be issued by the District Governor, a Request for admission to preliminary execution shall be issued by MME EAD.

The Order of Expropriation shall specify:

- the state need for which the property is being expropriated;
- the type, location, size, price (amount of compensation) and property owners;
- the commercial bank where the compensation is paid and the date from which the payment to the persons entitled shall start.

10. Promulgation of the Order of expropriation in the State Gazette.

11. The Order of expropriation coming into effect.

The Order of Expropriation issued by the District Governor is subject to appeal before the administrative court according to the property location, within 14 days after its promulgation in the SG.

12. Payment of compensations.

According to Art. 39 of the State Property Act, the compensations shall be paid within 6 months after the Order of Expropriation enters into force.

The investor on the site publishes a message in two central and one local daily newspapers: information about the bank and the date when payment of compensations shall begin.

13. Creating of acts for state ownership of the expropriated properties by the District Governor.

14. Issuance of Request to the Ministry of Economy and Energy to provide the expropriated properties as belonging to the concession.

According to Art. 63c, para. 1 of the Energy Act, the expropriated properties, as well as other state property, included within the concession area, shall be conceded to the concessionaire by a Decision of the Council of Ministers as an affiliate under the Law on Concessions.

15. Taking over and acceptance of the properties shall be done through a Protocol signed by representatives of MME EAD and District Administration.

16. Notifying the mines and “Finance and Accountancy” Department.

## **Attachment 9. Minutes of Meetings between representatives of MME and Beli bryag residents**

### **MINUTES OF MEETING**

**between “Mines Maritsa-East” EAD representatives and residents of the village of  
Beli bryag**

**27.07.2016**

Today, 27.07.2016, at 17:30, a meeting was held between “Mines Maritsa-East” EAD representatives and residents of the village of Beli bryag, regarding the impending resettlement and in relation to with the questions asked by the village residents.

The meeting was attended by:

#### **On behalf of “Mines Maritsa-East” EAD:**

<b>Dimitar Cholakov</b>	<i>Deputy Executive Director</i>
<b>Stoyko Bashalov</b>	<i>Governor of “Troyanovo-North” mine</i>
<b>Leonid Ganozliev</b>	<i>Head of Investment Department</i>
<b>Ivan Arseniev</b>	<i>Chief designer of Maritsa–East mines – “Minproekt</i>
<b>Stefan Zhelev</b>	<i>Acting Head of Legal Office</i>
<b>Anna Turlakova</b>	<i>Head of Secretariat and Communications Department</i>
<b>Daniela Zheleva</b>	<i>Trade Expert, “Property” Unit, Investment Department</i>
<b>Krasimira Ilieva</b>	<i>International Programmes and Projects Expert, EU-funded Projects Unit, Investment Department</i>

#### **On behalf of the residents of the village of Beli bryag**

- 28 people (in accordance with Attachment 1),

**As well as:**

- **Tenyo Tenev** – Mayor of Radnevo Municipality;
- **Deko Delev** – Secretary of Radnevo Municipality;
- **Toncho Ivanov** – Mayor Delegate of Beli bryag;
- **Genadi Kondarev**, representative of Ecological Association “Za zamyata”;
- “media representatives – a team of “**Skat**”TV.

**Agenda:**

1. **Response to the questions asked in writing by the Initiative Committee at the village of Beli bryag related to acquisition of properties by “Mines Maritsa-East” EAD and the resettlement of the village residents.**
2. **Other questions, responses and proposals.**

The meeting was opened by Mr D. Cholakov, MME Deputy Executive Director. In his opening remarks, he expressed understanding for the problems of the residents of the village of Beli bryag related to the need of resettlement and expressed the willingness and readiness of the Company for dialogue, mutual understanding and mitigation, as far as possible, of the difficult situation for residents.

**Under item 1 of the agenda**, Mr L. Ganozliev proceeded to a response to the questions asked by the residents, giving the floor for each question to a specific specialist, competent in the respective field:

**Question №1:** *What is the deadline for complete resettlement of the village of Beli bryag?*

- The reply to this question was given by Mr Arseniev. He explained that the deadline for complete resettlement of the village depends on the progress of mining activities, and by now, it should happen in 2023. By that date, mining works will approach the village so close that the organization for their performance will create preconditions for discomfort for the village residents. The physical entering into the territory of the village itself however will happen significantly later.

**Question № 2:** *The residents of the village of Beli bryag want jobs at MME to be provided for them or for their children, as compensation for the fact that they are forced to leave their properties/ homes.*

- This question was given a reply by Mr Stefan Zhelev, explaining that the recruitment procedure was set out in the Collective Labour Contract and an announcement is published for each vacant job position with specification on the criteria that should be met by the applicants. If MME provided better conditions for certain persons when they apply for a job, it would be against the Law on Protection from Discrimination. That is why, such an advantage cannot be given officially. However, there are people from Beli bryag employed at the Company.

**Question № 3:** *The grace period of 6 months granted to the former owners having sold their properties, is too short in the opinion of most residents.*

- Reply was given by Mr L. Ganozliev. He reminded that the period of free use of the property was determined after a meeting between MME management and the village residents held in Beli bryag. There were suggestions for the grace period varying from 3 months to 3 years, so the Company management accepted the 6-month period by decision of the Board of Directors (BD) in 2010, taking into consideration the fact that the Company, as an owner of the specific property, has the responsibility to take care of it and maintain it until its demolition. Now MME management can make a proposal to the BD to reconsider that decision.

**Question № 4:** *The village residents require the possibility to be allowed to get the construction materials from the structures.*

- Mr L. Ganozliev explained that this would be good for both parties, but all the actions should comply with the requirements of the law. The properties which are not rented are subject to demolition, and all the all the authorization scheme related to the removal of the buildings was organized by the Governor of the respective mine. The Mayor of Municipality shall issue an Order under Art.195, item6 of the Law on Spatial Planning about removal of the buildings, upon a request by the Governor of the respective mine, and based on an ascertaining Protocol for their certification. That Order obligates the owner (MME) to remove the buildings within 1 month after the Order becomes effective.

In fact, removal of the buildings is at the owner's expense, which leads to additional costs for the Company – arranging of machinery for demolition, removal, loading, transportation of the construction wastes etc. There are many cases where, after the purchase, the property is crashed and plundered by members of minority groups, which has an extremely negative impact on the local people.

In this respect, the desire of the current owners to destroy the buildings themselves and to use the construction material is beneficial to both parties - material support for the former owners and fewer expenses for MME. However, this option, seen from the side of: 1) people's safety – endangers the security and safety of residents (former owners), who would dismantle the construction material, because this could become a precondition for possible accidents within the property, which at that time will be owned by MME; 2) technical point of view – the Order for demolition obligates the owner of the property to remove the building – in this case, the owner is MME; and 3) in economic terms – when purchasing the property, MME pays for the “construction materials” which the former owners want to get, i.e., they receive money for them and get them at the same time, which leads to a financial conflict. The Company has allowed the former owners to live in the property for a grace period, and in that time they could look for a new property, harvest their crops and get any moveable possessions from the old property before its demolition (in case it is not used any more).

- Mr D. Cholakov stated that MME would undertake to inquire into the feasibility for the security of properties subject to demolition, as well as for dismantling of materials from the purchased properties in order to give the former owners the opportunity to take and use them.

**Question № 5:** *Is it possible the commitment to be undertaken by “Mines Maritsa-East” EAD but not by individuals? Up to now, there has been no document determining the resettlement during the years. Each new management has been performing the resettlement in their own way, without taking into consideration the interests of resettled people.*

- Mr L. Ganozliev replied that there was a Resettlement Plan under development for the village of Beli bryag and MME experts currently worked on it and it would be disclosed and brought to the attention of the residents. For this purpose, a sociological survey was carried out to identify the

people subject to resettlement, those who are eligible to compensation, to specify the affected lands etc. The next stage was publishing of the cut-off date for illegal settlement of new people /squatters/ into the village, for whose resettlement later MME would not take the responsibility.

**Question № 6:** *We are worried about the **sanitary minimum**. There was a harsh experience in this respect. A few houses were destroyed in the village of Obruchishte by observing the sanitary minimum.*

- Mr Arseniev explained that currently, there is no regulation specifying the sanitary minimum for the distance between the mine and mining activities from the edges of the settlement. There has been no information about destroyed houses and/or other residential properties, due to the Company's mining activities. The determination of year 2023 as the deadline for the complete resettlement of the village residents was for their safety due to approaching of mining activities to the village.

**Question № 7:** *Why the Municipality is paid higher prices for acquisition of their land although it is of lower category than our arable lands?*

- Mr L. Ganozliev replied that the Company had always paid for the owners' properties only at prices no lower than the fair market prices specified after the valuation by a licensed expert evaluator. However, the evaluation could change in time, as it depends on the property condition and the prices of similar properties in the region.

**Question № 8:** *We reckon that there has been non-observance of Art. 17, item 5 in Chapter One of the Constitution of the Republic of Bulgaria, which states: "Involuntary expropriation of property for state and municipality needs shall be effected only on the basis of a law, provided that these needs cannot be met otherwise, and after prior and **dignified compensation**."*

- In response of this question, Mr St. Zhelev explained that up to now, the Company had not expropriated involuntarily any properties within the urbanized territory of the village of Beli bryag, therefore Art. 17, item 5 in Chapter One of the Constitution of the Republic of Bulgaria is not infringed. Up to now, and in the future, MME has no plans to undertake actions toward expropriation of residential properties. Only actions toward reaching of mutually beneficial agreements between Purchaser and Seller will be undertaken, with the ambition to satisfy the owners' demands to the highest possible degree. The Constitution specifies "EQUIVALENT (REPLACEMENT) COMPENSATION", not "DIGNIFIED COMPENSATION". The Company has always observed the legislation of the Republic of Bulgaria. A procedure of involuntary expropriation can be applied no earlier than in 2023, in case there are still properties not acquired by MME.

**Under item 2 of the agenda**, the residents of the village of Beli bryag were given the opportunity to ask other questions important to them, and to express their concerns and demands. The following questions and demands were formulated:

- *Why don't you use the experience from the resettlement of the villages of Golyama Detelina, Malka Detelina and Gledahevo? (Lyubomir Nikolov) – Reply (L. Ganozliev):* The resettlement of any village is carried out in compliance with the legislation effective by the moment of arising a need of resettlement, as well as the decisions of MME management at that moment.
- *We want to see the evaluations of our properties. (Lyubomir Nikolov) – Reply (L. Ganozliev):* We can provide the valuations to you, under the internal order established at MME.

- *The grace period should be extended up to 2 years after the date of signing of the notary deed (Agreement of purchase and sale).* – Reply (D. Cholakov): This request can be considered by the management and the period can be changed by decision of the Board of Directors, but on condition that the tenants will take care of managing the property during this period, which will be set in the rental contracts for those properties.
- *The evaluations of properties are too low. It is true that in normal situation they couldn't be sold at such a price, but this money is not enough to build a new house. (Irina Petrova)* – Reply (L. Ganozliev): Three methods are used in the property evaluation. For one of them, the prices of similar properties in the region are taken into consideration. There are properties in the near villages which are sold for the same prices. And the property acquisition is completely on a voluntary principle. If you do not agree with the evaluation, we do not have to sell.
- *How and on what basis the evaluation of properties is made? What is the highest property evaluation in the village? (Evelin Petkov)* – Reply (L. Ganozliev): The evaluations are made by an independent expert evaluator, who has a license for the performance of this activity issued by the government. We cannot influence over them neither to increase, nor to reduce the prices of properties calculated by them.
- *Radnevo Municipality does not invest in maintenance of the infrastructure in the village of Beli bryag. (Evelin Petkov); Radnevo Municipality should allocate more funds to maintain the village. (Zhelyazko Zhelyazkov)* – Reply (T. Tenev): - Radnevo Municipality currently has liabilities of BGN 12,5 mln. The amounts of concession payments do not come regularly due to financial problems in the energy sector and in particular MME. That is why, the Municipal council allocates funds by priority, paying first its debts. Otherwise, the costs may become even greater, as in the case with the treatment plant of Gipsovo - if money is not paid in time, the received BGN 12 mln. must be paid from the municipal money.
- *We want MME to terminate with the property acquisition because our properties are destroying. (Evelin Petkov); We sustain economic losses. (Zhelyazko Zhelyazkov)* – Reply (I. Arseniev): Plans for the progress of mining activities can be changed for different reasons. By now, the deadline for complete depopulation of the village is 2023.
- *We want to see that Resettlement Plan which is being developed. How are you going to make us part of this Plan? We want our representatives to take part in its development. (Evelin Petkov)* - Reply (L. Ganozliev): The Plan is still not ready, it is under development. After it is finished and approved, it will be disclosed and all of you will have the opportunity to get familiar with it. Of course the village residents will be included – that is why a survey was conducted among all the owners and tenants of properties. That is why this meeting is being held – we want to know your position, your demands. We have the opportunity to ask questions, to give suggestions – also in writing, at any other time. The development of the Resettlement Plan is MME's responsibility, but if you send out representatives to participate in its preparation, they will be given the chance to participate personally in its development.
- *MME shall provide security guards in the village. (Zhelyazko Zhelyazkov)* – Reply (D. Cholakov): We are aware of the problems with theft, this often happens with our possessions as well. MME has a contract with a security company, and this contract has some fixed conditions, posts identified etc. At the next annexing of the contract for the security of "Troyanovo-North" mine, the properties in the village of Beli bryag will be included.
- *The European legislation has a priority over Bulgarian one. The European legislation and good practices should be observed. (Evelin Petkov)* – Reply (L. Ganozliev): Exactly, this is our goal too. The development of the Resettlement Plan ensures observance of both Bulgarian and European legislation.
- *MME should demolish or maintain the acquired properties. It is each owner's responsibility to maintain their property, this applies to MME too. (Evelin Petkov)* – Reply (D. Cholakov): MME

undertakes the commitment to take care of the properties purchased by the Company by clearing the sites from grass every 3 months.

- *When the buildings are demolished, there is plenty of dust which after that covers the neighbouring yards and plants grown in them.* – Reply (D. Cholakov): It is possible that non-organized emissions of dust appear during the construction and demolition works, and that dust remains on and around the property area. The Company will provide additional irrigation (a water jet) at the demolition of the buildings to minimize scattering of dust from demolition works.
- *The purchased buildings should not be demolished because in this way the rest of the houses become subject to raids by thieves.* – Reply (L. Ganozliev): We are required to observe the law, and the law obligates us to demolish the structures if they are not used by the former owners.
- *How will MME proceed if no Letters of request for selling the properties are lodged? (Gospodin Tanev)* – Reply (St. Bashalov): We will just stop buying, there will not be any dialog. You will keep your properties.
- *When a house is being demolished, the security guard should be reinforced (Dimo Georgiev)* – Reply (St. Bashalov): Normally, there is security at that time. However, the question deserves consideration – the security could be reinforced indeed.

**As a result of the meeting, the following issues were agreed:**

- **MME management will re-consider the period of free usage of the purchased properties and, if possible, will increase it up to 2 years after the date of the purchase-sale, and a provision will be included in the rental contracts imposing the tenant the responsibility to take care, maintain and pay the consumables for the property for the period of its usage.**
- **MME will inquire into the feasibility for dismantling of materials from the purchased properties subject to demolition, in order to give former owners the opportunity to take and use them.**
- **After an evaluation of property is made by an independent evaluator, the owner will be given the opportunity to look through it within the period when it is up to date, in compliance with the internal order established in the Company.**
- **Representatives of the village residents will be pointed out and those will take part in development of the Resettlement Plan with their proposals and demands to be included.**
- **At the next annexing of the contract with the security company, MME will include a provision related to providing security of the properties in the village of Beli bryag will be included.**
- **The security at the demolition of buildings will be reinforced.**
- **On the day of a building demolition, a water jet supply for additional irrigation will be provided in order to avoid formation and scattering of harmful dust emissions.**
- **MME will take care of the properties acquired by clearing the sites from grass every 3 months.**

At the end of the meeting, a mutual agreement and willingness was expressed to hold such meetings regularly, so that the residents could ask their questions and express their demands and requests to MME management, aiming at improvement of the dialog between the parties and timely solving of problems arisen.

**SIGNATURES:**

On behalf of “Mines Maritsa-East” EAD:

D. Cholakov .....  
St. Bashalov .....  
L. Ganozliev .....  
I. Arseniev .....  
St. Zhelev .....  
A. Turlakova .....  
D. Zheleva .....  
K. Ilieva .....

On behalf of the residents of the village of Beli bryag:

T. Ivanov .....  
/Evelin Petkov/ .....  
/Zhelyazko Zhelyazkov/.....  
.....  
.....  
.....  
.....  
.....

On behalf of Radnevo Municipality:

Tenyo Tenev – Mayor of Radnevo Municipality .....  
Deko Delev – Secretary of Radnevo Municipality .....

**Attachment 10. Detailed grievance procedure**

1. Each owner of a property or project affected person located within the concession area placed at Company’s disposal has the right to lodge a grievance or an alert to the Management related to the procedure of property purchasing at each stage of the procedure. The owner/tenant shall legitimate himself or herself through a document of ownership/Rental contract and Identity card or a Letter of authorization with a notary certification of signature. Any other affected persons shall legitimate themselves through presenting their Identity card only.
2. Requests, grievances, suggestions, reports and queries can be lodged at MME by telephone, fax, e-mail and as a hard copy, as well as through the four mail boxes situated at the three mines and the Administration building of the Company. The claimant can fill in a grievance form approved by the Executive Director – РД- 5-03-03-01 with the required information (requisites), for incoming number of a document when it is submitted at the Company’s Registry office.
3. Regardless of the form in which they are submitted, the requests, grievances, suggestions, reports and queries shall be registered at the Company’s electronic registry system “Acstre Office”, with a unique incoming number and the date of their submission. Anonymous requests, grievances, suggestions, reports and queries shall not be registered at the registry system. Copies of the Letters of grievance shall be submitted to Investment Department at the Company's Administration building to be filed in the “Register of resettlement-related grievances”.



4. Once the document is registered in the Company's registry system, they are all put in the contact person's mailbox. The contact person shall get acquainted with the documents, shall make a primary assessment and address them to the competent employees to assist or respond by a written resolution, within a period of 3 days.
5. After receiving the grievance, the Executive Director (advised by the respective competent person) shall appoint a Committee, which shall consider the circumstances described in the Letter of grievance, carry out the necessary check and suggest a solution to the problem arisen. The Committee shall in all cases include officials from Property Unit of Investment Department, a lawyer from Legal Department, as well as other persons related to the subject of grievance.
6. The Committee shall finish its work by issuing and submitting a Record, containing findings, conclusions, suggestions and resolutions. The deadline for the Committee to finalize its work (check) shall be 20 days from the date of receipt of the Letter of grievance.
7. Based on the findings and recommendations of the Committee listed in the Record issued, a written response to the complainant shall be issued, within 5 days. In the Letter of response, a motivated and grounded opinion shall be given about each of the complaints in the Letter of grievance. When the decision-making and taking actions is related to application of other legal regulations, the time of response shall comply with them. The decision shall be prepared by the respective competent person, on behalf of the Executive Director. The document shall be registered with an outgoing number at Company's electronic registry system "Acstre Office" and shall be sent to the claimant by post, fax or e-mail, depending on the contact information provided by the claimant.
8. In case it is found that the complaint is legitimate, measures shall immediately be taken to stop illegal actions identified, as well as measures to mitigate their consequences.
9. In case it is found that the complaint is groundless, the reasons for its groundlessness, as well as the reasons for decreeing so shall be indicated in the Letter of response. At the request of the complainant, the Committee shall be obliged to provide all the information obtained as a result of the check, except for the confidential information.
10. In the event that the complainant is not satisfied with the response received, he/she has the right to lodge a grievance to the Company's Board of Directors. A copy of the original Letter of grievance and a copy of the response received shall be attached to the Letter of grievance addressed to the Board of Directors of "Mines Maritsa-east" EAD, Stara Zagora. The Board shall consider the Letter of grievance submitted at its meeting and shall issue a written response.
11. In case of disagreement with the Committee's response, a recourse mechanism shall be applied. The order of recourse or appeal can either follow the hierarchical order of management of MME (i.e. Board of Directors, Bulgarian Energy Holding /BEH/, Ministry of Energy, Prime Minister), or it can be directed to the ombudsman, National Legal Aid Bureau, NGOs etc.
12. A "Register of resettlement-related grievances" kept and maintained by Property Unit of Investment Department at "Mines Maritsa-east" EAD – Administration building.

## Attachment 11. Procedure for in-kind compensation

Procedure for sale and / or exchange of real estate, located in the urbanized territories of the villages of Beli bryag and Troyanovo

### **I. Sale of housing property owned by MME, located in the urbanized territory of the towns of Radevo or Galabovo, to property owners, from the village of Beli Briag / Troyanovo, by direct negotiation:**

1. An application is submitted to the Executive Director of the Company on behalf of the person from the village of Beli Bryag/Troyanovo who wishes to purchase a property owned by the Company.
2. The Company provides a list of the available real estate owned by the Company located in the urbanized territory of the village of the towns of Radevo or Galabovo to the person to choose a specific property according to his needs.
3. The property to be purchased is specified in a protocol between the Company and the person submitting the application.
4. An inspection of the property (s) to be sold by the Company chosen by the buyer is scheduled. The buyer, after the inspection, declares (signs a Declaration) which property he/she wants to buy.
5. A letter of assignment is sent with enclosed copies of ownership documents and the balance sheet value of the respective property to a licensed evaluator for determining the market value of the property owned by the Company.
6. After submission of the final evaluation, a report is prepared to the Board of Directors of MME for approval, validation of the valuation of property for sale, enclosed with the following documents:
  - a report assessing the market value of the property, determined by the licensed appraiser;
  - a copy of the application to the Executive director on behalf of the person;
  - a copy of the protocol specifying the person's choice of properties to be inspected;
  - a copy of the Declaration;
7. Upon decision of the Board of Directors to sell the property owned by the Company, the buyer is invited for preliminary negotiations on the sale price.
8. At the negotiation, during the day, upon request, the buyer is given the valuation of the property by the licensed appraiser, and the following options are available upon completion of the negotiations:
  - 8.1. upon agreement on the price a protocol of consent of the person with the sale price is signed;
  - 8.2. in case of disagreement on the price, a protocol is signed that the buyer does not accept the price, which terminates the procedure;
9. Upon consent, a report is prepared to the Board of Directors of Bulgarian Energy Holding EAD with a request for permission for sale of the property, with the following documents enclosed:

- a copy of a signed protocol of consent of the person with the sale price of the immovable property owned by the Company;

- a copy of the decision of the Board of Directors of MME to approve and adopt the valuation of the property;

10. Upon receipt of a protocol of the Board of Directors of Bulgarian Energy Holding EAD with permission to sell the property, a date for the purchase and sale of the property before a notary is set;

11. Purchase and sale of the property before a notary. All transaction costs (notary fees, state fees, local tax, etc.) are at the Buyer's expense.

12. After receiving a notary act for the property purchased, a protocol is signed between the two parties, for entering into possession of the immovable property.

13. Upon receipt of a notary act for the property purchased, letters shall be prepared and sent to:

13.1. Financial and Accounting Department of MME to write off the property from company's assets, enclosing a copy of the Notary act; a copy of the decision of the Board of Directors of MME; a copy of the property market valuation;

13.2. Security and ESR departments of MME - information about the sold property - a copy of the notary deed of the real estate;

13.3. The manager of the Troyanovo-North mine, to write off the property from the balance of the mine;

13.4. "Bulgarian Energy Holding" EAD - for information, pursuant to Art. 48 of the "Rules for the procedure, conditions and procedure for taking of decisions by the Board of Directors of Bulgarian Energy Holding EAD for the granting of permits, approvals or agreements, exercising the right of sole owner of the capital and determining the matters within the competence of the General Meeting of the subsidiaries "together with a copy of the notary act.

14. The sold property is wrote-off from a register of real estates owned by MME

15. A separate file is prepared for each property, which, upon completion, shall be kept in an archive of the "Real Estate" Unit at the Investment Department;

**II. Exchange of a housing property owned by MME, located in the urbanized territory of the towns of Radevo or Galabovo for real estate, located in the village of Beli bryag / Troyanovo - by direct negotiation:**

1. An application is submitted to the Executive Director of the Company that the person from Beli bryag / Troyanovo wants to exchange his real estate, located in the urbanized area of Beli bryag / Troyanovo village, for a real estate owned by the Company.

2. The Company provides a list of the available real estates owned by the Company located in the urbanized territory of the towns of Radevo or Galabovo for the person to choose according to his needs (if it has not identified a specific property).

3. A list of the property (s) is specified for inspection, by a protocol between the Company and the person

4. An inspection of the property (s) for exchange is scheduled. The person, after the inspection, declares (signs a Declaration) which property he/she wants to exchange.
5. A letter of assignment is sent to a licensed evaluator f Letters of contract shall be sent to a licensed evaluator with enclosed copies of
  - ownership documents and the balance sheet value of the respective property of the Company chosen for exchange
  - property document, certificate of heirs (if the property is heirloom), sketch of the property, certificate of tolerance of the buildings (if necessary), certificate of identity of the property according to the plan (if necessary), tax assessment, list of permanent crops is in the property) of the property, located in the village of Beli bryag (village of Troyanovo), owned by the person who submitted the application for replacement.
6. After submission of the completed assessments, a report shall be prepared to the Board of Directors of MME for approval and validation of the valuations of the properties to be replaced with the following documents:
  - a report assessing the market value of the property, determined by the licensed appraiser;
  - a copy of the application to the Executive director on behalf of the person;
  - a copy of the protocol specifying the person's choice of properties to be inspected;
  - a copy of the Declaration
7. In Upon decision of the Board of Directors to exchange the property owned by the Company, the buyer is invited for preliminary negotiations regarding the valuation of the real estate to be replaced. The difference in the values of the properties is equalized by a monetary value.
8. During the negotiation day, the buyer can request to see the valuation of the property made by the licensed appraiser, and the following options are available after the negotiations:
  - 8.1. upon agreement with the price of the properties, a protocol for agreement with the prices of the immovable properties set for exchange will be signed;
  - 8.2. in case of disagreement, a record of negotiations shall be signed stating the dissent of the person who submitted the request for in-kind compensation, thus terminating the procedure;
9. Upon agreement for the exchange of real estate, a report will be prepared to the Board of Directors of Bulgarian Energy Holding EAD with a request for consent for the replacement of the immovables, enclosed with the following documents:
  - a copy of a signed record of agreement with the prices of the real estate to be replaced;
  - a copy of the approval of MME's Board of Directors and approval of the valuation for negotiations for the sale of the properties;
10. After obtaining the agreement of the Board of Directors of Bulgarian Energy Holding EAD for the execution of the exchange transaction (objectively in the relevant protocol), a date for the transaction is set with a notary;
11. On the day of the transaction, transaction costs (notarial fees, state fees, local tax, etc.) shall be paid according to how agreed between the parties.

12. Upon receipt of the notarial deed, a record shall be filed for the entry into possession of the property, signed by both parties.

13. Upon receipt of the deed of exchange, letters shall be prepared and sent to:

13.1. Financial and Accounting Department of the Information and Registration Office of the new property and write-off of the replaced property in / from the Company's books by attaching: a copy of the notarial deed; a copy of the decision of the Board of Directors of "Maritza Iztok" Mines EAD; a copy of the decision of the Board of Directors of BEH EAD; a copy of the estimates of the market value of the real estate;

13.2. Security Departments and the Maritza East Secretariat of the Management - information about the replaced properties - a copy of the notarial deed; 13.3. The manager of the Troyanovo-North mine, for recording and extraction to / from the balance of the property pit;

13.4. "Bulgarian Energy Holding" EAD - information pursuant to Art. 48 of the "Rules for the procedure, conditions and procedure for taking of decisions by the Board of Directors of Bulgarian Energy Holding EAD for the granting of permits, approvals or agreements, exercising the right of sole owner of the capital and determining the matters within the competence of the General Meeting of the subsidiaries "as an annex to the letter is a copy of the notarial deed of the real estate.

14. Changes in respect of the replaced properties are recorded in a real estate register owned by "Maritza East" EAD;

15. Each property is included in an individual file, which is stored in an archive of "Real Estate" at the Investment Department after transaction completion.