KOSOVO SOLAR – TUCEP AND VERIQ ENVIRONMENTAL AND SOCIAL ASSESSMENT

Livelihood Impact Management Approach for Informal Land Use

February 2026

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1 INTRODUCTION

The European Bank for Reconstruction and Development (EBRD) is considering financing the construction and operation of two large-scale solar photovoltaic power plants (PVPPs) in Kosovo, together with the related infrastructure, with a combined capacity of 142.2 MWp and a total footprint of approximately 140 ha (the "Project"):

- PVPP Tucep – capacity 98.5 MWp; and
- PVPP Veriq – capacity 43.7 MWp.

The overall responsibility for implementing the Project lies with Quant Renewables Kosovo Invest Limited ("the Borrower"), a company based in the United Kingdom. This company will be the direct recipient of the EBRD loan and will report to EBRD on Project implementation. The loan funds will be on-lent to two local special purpose companies—AKG Solar Tucep and AKG Solar Veriq, which have been established to own and operate the respective PVPPs. Construction of the PVPPs will be carried out by SolarApex ("the Contractor"), an experienced company specialising in solar energy projects.

This document is the **Livelihood Impact Management Approach for Informal Land Use**, prepared based on an analysis conducted for the Project between October 2025 and January 2026. It presents a high-level overview of informal land use identified within the Project area, the nature and extent of potential livelihood impacts and the approach for managing these impacts during Project implementation.

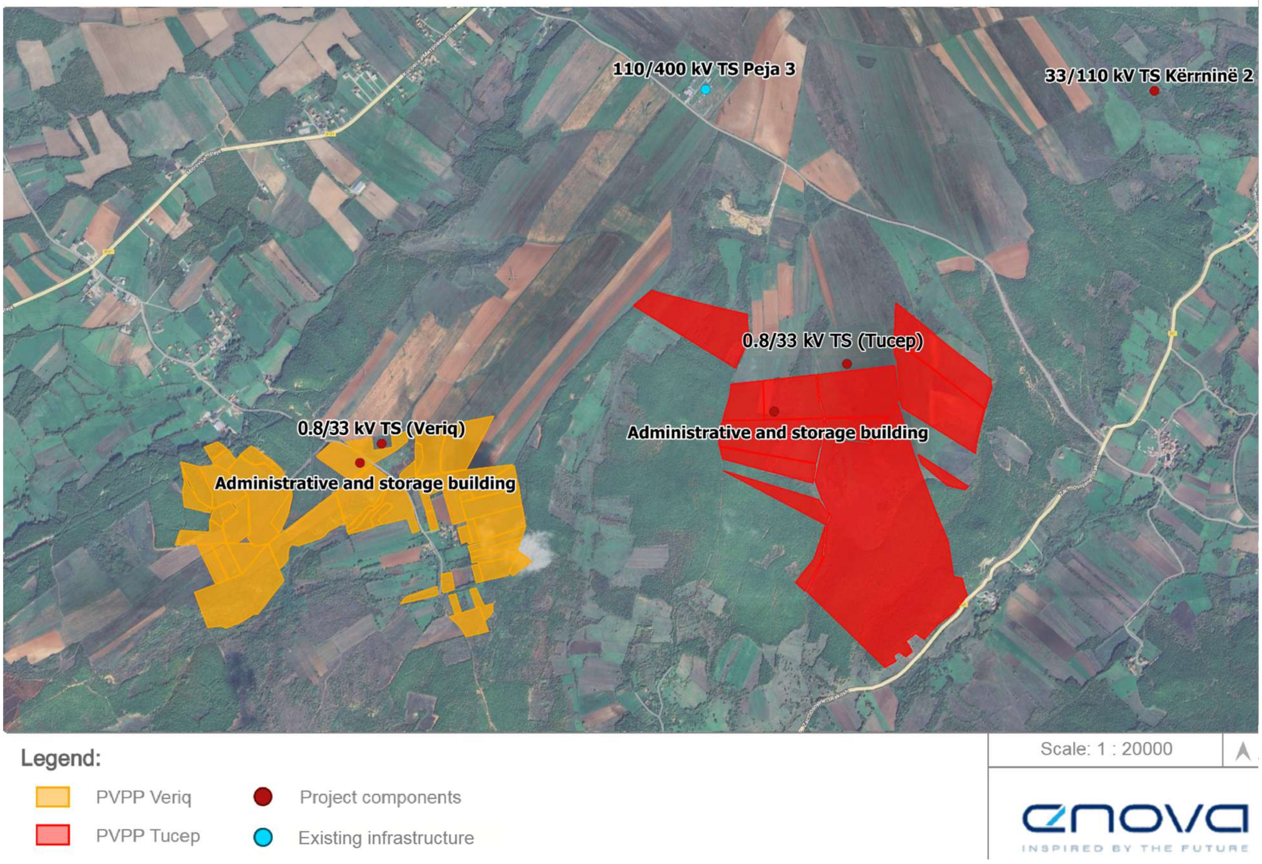
This document has been prepared to support the Project's alignment with **EBRD Environmental and Social Requirement 5** (Land Acquisition, Restrictions on Land Use and Involuntary Resettlement), particularly in relation to informal land users who may experience livelihood impacts due to restrictions on access to land.

2 BRIEF PROJECT DESCRIPTION

PVPPs Tucep and Veriq will be located in the Municipality of Istog. PVPP Tucep will be built near the settlements of Kernine and Tucep, while PVPP Veriq will be located close to the settlements of Veriq and Veriq i Ri.

In addition to the PV modules, the Project will include supporting electrical infrastructure needed to safely deliver electricity to the national grid. This includes the construction of three transformer substations. Each PVPP will also include a small administrative and storage building.

An overview of the described infrastructure is provided in the figure below.



Map of Project components

Both sites are accessible through the existing road network infrastructure. However, internal access roads within the PVPP plots will be constructed as part of the Project.

3 PROJECT LAND USE AND LIVELIHOOD CONSIDERATIONS

3.1.1 Land Needed for the Project – Overview

The total land requirement for the Project is 141.42 ha, distributed as follows:

- PVPP Tucep site: approx. 92.4 ha, located in the cadastral zone of Tucep village, consisting of 20 plots
- PVPP Veriq site: approx. 49.02 ha, located in the cadastral zone of Veriq village, consisting of 36 plots

These two sites are primarily composed of agricultural and partially uncultivated land.

View from the PVPP Tucep (above) and PVPP Veriq (below) sites towards Mokna Mountain in the north

The Municipal Zoning Map (2024–2032) has designated the area for energy production. All land required for the Project is state-owned and subject to long-term lease agreements with the company Gekos LLC, which signed a 99-year lease agreement with the Government of Kosovo in 2009. This lease agreement allows for Gekos to sign further sub-lease agreements. Consequently, in 2023 and 2024, Gekos signed such sub-lease agreements with AKG Solar Tucep and AKG Solar Veriq for:

- an 80-year lease for the Tucep PVPP site; and
- a 78-year lease for the Veriq PVPP site.

These agreements provide full rights for the Project companies to construct, operate and maintain the PVPPs for the duration of the Project. As specified in the lease agreements, upon expiry of the lease period, the land shall be restored and returned to the lessor in the same condition as at the time of handover.

3.1.2 Informal Users of Project Land

As part of the environmental and social due diligence process, the Project assessed whether any individuals or households were using land within the Project footprint on an informal basis. This assessment was undertaken through field visits, local enquiries and interviews with identified users.

No physical displacement or acquisition of privately owned residential land is required for the Project. However, **the assessment confirmed that parts of the Project land have been used informally for agricultural purposes by local households**. These users do not hold legal ownership or formal tenancy rights over the land, but some have cultivated the land for an extended period and use it as part of their agricultural activities.

One primary informal land user was identified as having used a substantial portion of the Project land for crop production over a long period. In addition, a number of smaller informal land users were identified who cultivate smaller parts of the Project land, mainly for wheat, corn, hay and rye production.

The following sections provide further details on the identified informal land users.

1. **Primary informal land user**

An interview with the informal user was conducted in November 2025. The respondent confirmed the following:

- Land use background:
  - The respondent has been using the land for approx. 15 years.
  - He began using the land based on an agreement with Gekos. He has never paid rent or provided any services in exchange for land use.
  - Usual crops grown are wheat (80%), corn and sunflower. The land is cultivated every year.
  - He is still using the land (about 80 ha) and harvests crops. There are no trees on the land and no investments made on the land.
  - He is aware that the land belongs to a private owner, and he is satisfied that he was able to use the land for a long time.
- Information received about the Project:
  - He has already been informed that the land will be used for a solar project by AKG Solar directly.
  - He is willing to leave the land once asked.
  - He has no concerns or suggestions regarding the Project.
  - He confirmed that employment was offered.
- Household information:

- The household consists of 22 members, including 12 children.
- The respondent and his four sons work the land. They do not perform other income-generating activities outside agriculture. Other adult family members have other jobs.

> Alternative land:
- He owns other agricultural land in Kashica and Dobrush villages, around 10 km from the Project site.
- This other land is 'very feasible' for continuing cultivation activities.
- He has already started thinking about moving his activities to alternative land and confirmed preparatory thinking.
- He does not expect the Project to affect household income or activities.

In conclusion, the informal user was aware that the land did not belong to them and had been using it with the landowners' permission. The family has alternative land nearby and are not dependent on the Project plots for their primary income. Given that the user was informed in advance, raised no objections and will be offered potential employment, the situation does not represent economic displacement under EBRD requirements. Consequently, no residual risks related to land use or livelihood for this primary land user have been identified.

2. Additional minor informal land users

An additional five informal land users were identified and successfully contacted. A series of interviews were conducted in November and December 2025, as well as January 2026[1].

The respondents confirmed the following:

> Use of Project land: All users have been cultivating the Project land for a long time, beginning in 1999. They manage various size plots ranging from 0.3 ha to 30 ha. The land is used for wheat, corn, hay and rye, with cultivation occurring every year. Details are provided per respondent below:

RESPONDENT	DURATION OF LAND USE	AREA USED (HA)	FREQUENCY OF USE	CROPS GROWN	ASSETS ON LAND	AWARENESS THAT THE LAND IS PRIVATELY OWNED	RENT OR COMPENSATION PAID FOR LAND USE
1	26 years	10.0	Every year	Wheat, corn, rye	No	Yes	Rent paid until 2018
1	26 years	3.5	Every year	Wheat, corn, rye	No	Yes	No
3	26 years	1.5	Every year	Wheat, corn	An agricultural barn that is partially located within the Project footprint	No (the respondent believed it was public land)	No
4	26 years	30.0	Every year	Wheat, corn	No	Yes	No
5	26 years	1.0	Every year	Wheat, corn and hay	No	Yes	No

> Availability of other agricultural land: Respondents were asked about the availability and use of other agricultural land and related activities. All respondents reported owning or renting additional agricultural land and confirmed that this other land is actively used for

[1] A potential sixth informal user was identified but was not interested in engaging and did not provide information for the purposes of the assessment.

agricultural purposes. For two respondents, the additional land supports the operation of established dairy farms. Details are provided per respondent below:

RESPONDENT	DO YOU OWN OR RENT OTHER AGRICULTURAL LAND?	DO YOU USE THIS OTHER LAND?	DO YOU RECEIVE GOVERNMENT SUBSIDIES?
1	Yes, 34 ha owned nearby (3-5 km) and 14 ha further away from Project land	Yes, to support the functioning of the family's dairy farm with 65 cows	Yes, 474 euro per ha of wheat, and 374 euro per ha of corn.
2	Yes, 50 ha rented nearby (3-5 km) and 30 ha owned further away from Project land (in Veriq village).	Yes, to support the functioning of the family's dairy farm with 60 cows	Same as above
3	Yes, 7 ha owned (adjacent to the Project site)	Yes, for wheat and corn	-
4	Yes, 3.5 ha owned (2 km away)	Yes, for wheat and corn	-
5	Yes, 3 ha owned (adjacent to the Project site – 1.5 ha of arable land and 1.5. of forest)	Yes	-

> Information received about the Project: None of the respondents knew about the planned Project.

> Household information and vulnerability: The affected households vary in size, with some including vulnerable members such as minors and elderly persons over the age of 65. Details are provided per respondent below:

RESPONDENT	HOW MANY PEOPLE LIVE IN YOUR HOUSEHOLD?	ARE THERE ELDERLY PEOPLE, CHILDREN OR ANYONE WHO NEEDS REGULAR CARE?	NUMBER OF WOMEN IN THE HOUSEHOLD
1	11	3 children, 2 elderly (65+)	5 women
2	13	4 children	7 women
3	6	1 elderly (65+)	2 women
4	3	None	1 woman
5	7	4 children, 1 elderly (65+)	5 women

> Impacts on livelihoods: Four of the five households expect the Project to affect their household income, with reported anticipated reductions ranging between 10% and 30%. Details are provided per respondent below:

RESPONDENT	DOES THE RESPONDENT DO ANY OTHER WORK OUTSIDE THE FARMING SEASON?	DOES THE HOUSEHOLD HAVE OTHER REGULAR INCOME DURING THE YEAR?	WILL THIS PROJECT CHANGE YOUR HOUSEHOLD INCOME OR ACTIVITIES IN ANY WAY?
1	No	Parents' pensions.	Yes, family income will be reduced by 30%
2	No	2 household members work in private business.	Yes, family income will be reduced by 20%
3	No	1 household member receives a pension.	Yes, family income will be reduced by 10%
4	No	1 household member works in private business.	No major reduction of family income is expected.
5	No	1 household member receives a pension.	Yes, family income will be reduced by 300 EUR annually.

> Concerns and preferences: None of the respondents expressed concerns regarding the Project. Three respondents indicated a preference for an electricity connection from the Project. *Note: the provision of direct electricity connections to individual households or farms is not foreseen by the Project. The Project is designed for grid-connected electricity generation and does not include infrastructure for direct power supply to third parties. As such, electricity access is not considered a feasible mitigation measure under the Project scope.*

Interest in Project-related employment was expressed by three respondents.

One respondent mentioned the issue of his barn which is partially located within the Project footprint and requested that an arrangement with the landowner, such as a land exchange, be considered to avoid demolition.

Details are provided per respondent below:

RESPONDENT	CONCERNS REGARDING THE PROJECT	SUGGESTIONS AND PREFERENCES
1	No	None indicated.
2	No	No interest in Project-related employment. The respondent stated that he would welcome an electricity connection to the dairy farm from the Project (see note above the table).
3	No	The respondent expressed interest in employment opportunities related to the Project. Since part of the interviewee's barn is located within the Project footprint, he stated that he would accept partial demolition of the barn if required by the landowner; however, he suggested that, if feasible, an arrangement such as a land exchange could be considered to avoid demolition. He also stated that he would welcome an electricity connection to the dairy farm from the Project (see note above the table).
4	No	The respondent expressed interest in employment opportunities related to the Project. He also stated that he would welcome an electricity connection from the Project (see note above the table).
5	No	The respondent expressed interest in a part-time job if offered.

3.1.3 Planned Measures to Support Informal Land Users

All identified users rely on the land for crop production, with varying degrees of dependence on the affected plots. Although none of the respondents expressed objections or concerns regarding the Project, three of the four households anticipate partial income reductions ranging from 10% to 30%. The presence of vulnerable household members (children and elderly persons) in several households increases sensitivity to livelihood impacts.

On the other hand, all affected households reported ownership or access to additional agricultural land that is actively used for crop production or dairy farming. This significantly reduces the risk of severe or long-term livelihood disruption and supports the continued functioning of core agricultural activities. Accordingly, **none of the households are expected to experience full livelihood displacement. However, given the long-term and continuous use of the affected land by local families, the loss of access will result in measurable impacts on household livelihoods**. **In addition, one site-specific impact was identified involving an informal agricultural structure (a barn) partially located within the Project footprint.**

Although the users do not claim ownership or tenancy rights and have expressed a willingness to cooperate, the reliance on the affected land for a portion of household income triggers the need for livelihood impact management measures in accordance with EBRD requirements.

In line with EBRD Environmental and Social Requirement 5 (Land Acquisition, Restrictions on Land Use and Involuntary Resettlement), persons who do not have formal legal rights to land, but who use land for livelihood purposes, are considered eligible for livelihood-related support where Project-related restrictions on land access result in economic impacts.

Therefore, the following actions will be implemented:

1. The Borrower shall maintain an **up-to-date register** of all identified informal land users, including plot size, duration of use and livelihood dependency.

2. As defined in the Project's Stakeholder Engagement Plan, the Borrower shall organise a **public consultation meeting** prior to construction to disclose Project information to affected communities. The meeting shall present the Project scope, construction schedule and land access restrictions, job opportunities and the Project-specific grievance mechanism. Affected informal land users shall be provided with advance notice of land access restrictions and construction activities to enable timely adjustment of agricultural activities and shall be informed of and have access to clear procedures for the submission and resolution of grievances.

3. The Borrower shall put in additional efforts to provide affected households with **priority consideration for unskilled and semi-skilled employment opportunities**, subject to meeting minimum job requirements. Information on recruitment timelines and selection criteria shall be communicated in advance. This measure shall apply to individuals who express interest in such opportunities.

4. Households experiencing partial income loss as a result of Project land access restrictions shall be offered **access to alternative agricultural land** under the control of the Borrower where affected informal land users express interest in this option. Access shall be provided on a voluntary basis and for a defined period (to be agreed with the users) sufficient to support continued agricultural production and livelihood continuity. Where alternative land is offered, the Borrower may, where affected informal land users express interest in this option, facilitate access to agronomic advice to support consideration of land suitability and the transition of agricultural activities on a case-by-case basis.

5. Where the Project may affect standing or unharvested crops cultivated by informal land users, the Borrower shall provide **sufficiently reasonable advance notice to allow harvesting** prior to commencement of construction. In cases where crop loss occurs due to the Borrower's failure to provide adequate advance notice, affected households shall be compensated for crop losses.

6. The Borrower shall **assess options to avoid or minimise impacts on the informal agricultural structure** (barn) partially located within the Project footprint, including minor design adjustments or land exchange arrangements. Where avoidance is not feasible, the Borrower shall, in consultation with the affected household, identify and implement proportionate mitigation measures, such as relocation or replacement of the structure, prior to commencement of construction in the affected area.

7. Implementation of livelihood-related mitigation measures shall be documented and included in periodic **monitoring reports** to EBRD.