

Koridori Srbije

Corridor X Highway Project

Land Acquisition and Resettlement
Framework – LARF

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КОРИДОРИ СРБИЈЕ

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Disclaimer

This document represents the Additional Guidance Note for Land Acquisition and Resettlement for The Corridor X Highway Program, including the Sections financed by the European Bank for Reconstruction and Development (EBRD) and as amended by the Amendment Agreement No. 3 to the Loan Agreement dated 22 September 2009 (K10) between the Republic of Serbia and the European Bank for Reconstruction and Development. The formal responsibilities of the EBRD in this respect only apply to the sections that it is contributing in whole or in part to the financing. The LARF describes the policies, procedures and processes that will be followed throughout the Program and the Project in the course of compensation/resettlement of Project Affected Persons, with or without legal title, whose land/property or business are acquired for the execution of the Corridor X Highway Program and Project.

List of Abbreviations

| Abbreviation | Full Name |
|--------------|---|
| AP | Affected Person |
| BoE | Beneficiary of Expropriation |
| CFD | Central Feedback Desk |
| CM | Cadastral Municipalities |
| EBRD | European Bank for Reconstruction and Development |
| EUR | Euro |
| GoRS | Government of Republic of Serbia |
| IFI | International Financial Institutions |
| KS | Koridori Srbije (Corridors of Serbia) |
| LARF | Land Acquisition and Resettlement Framework |
| LM | Local Municipality |
| LRP | Livelihood Restoration Plan |
| MCTI | Ministry of Construction, Transport and Infrastructure |
| MoF | Ministry of Finance of Republic of Serbia |
| MoPALSG | Ministry of Public Administration and Local-Self Government of Republic of Serbia |
| NGO | Non-Governmental Organisation |
| PAP | Project Affected Person |
| PIU | Project Implementation Unit |
| POS | Public Outreach Specialist |
| PR5 | EBRD Performance Requirement 5 - Land Acquisition, Involuntary Resettlement and Economic Displacement |
| RAP | Resettlement Action Plan |
| RS | Republic of Serbia |
| RSD | Serbian Dinar |
| SIA | Social Impact Assessment |
| VG | Vulnerable Group |

Glossary

When used in this document, following terms are defined as follows:

"Compensation" - Refers to any and all payments made in cash or in kind to replace the value of assets or acquired resources affected by the Project. Compensation will be paid before taking possession of the land and assets in all cases. "Compensation agreement" - Refers to the concurrence of compensation, under the Law of expropriation before the municipal administration or before the competent court, reached between BoE and expropriated property owner on in-kind compensation, the amount of cash benefits, mutual additional payments for differences in the property value, building entrances, passages and access roads on the property, as well as other actions permitted by Law.

"Cut-off Date" - Date of beginning of the census of persons and inventory of assets affected by the Project. If (a) person(s) should occupy the project area after the cut-off date, they will not be eligible for compensation and/or resettlement assistance. Similarly, fixed assets (such as built structures, crops, fruit trees, and woodlots) established after the cut-off date will not be compensated. Before the census, BoE will publish information about the cut-off date in local newspapers, informing all owners and users of the initiation of the expropriation process. The cut-off date will also be publicly disclosed on notice boards in local communities and relevant municipalities and at consultation meetings, with an accompanying explanation. The public announcement will also be posted, as necessary, on frequently visited locations throughout the affected areas.

"Economic Displacement" - Includes all loss of assets or resources, and/or loss of access to assets or resources that leads to loss of income sources or means of livelihood as a result of Project implementation, regardless whether affected persons must move to another location or not. It includes demonstrated decreases in agricultural, livestock, forest, hunting and fishing yields resulting from project-related disturbance and/or pollution.

"Expropriation" - It refers to a dispossession or a limitation of ownership rights on property with compensation pursuant to market price of the property.

"Expropriation resolution" - The formal decision of the relevant local government, passed in accordance with the Law of Expropriation, that declares expropriation of certain, individual property. The Expropriation resolution includes the designated Beneficiary of Expropriation, details of property to be expropriated, identification of owner(s), purpose of the expropriation, as well as the number and date of the decision establishing the public interest for expropriation and the name of the authority that issued this decision, legal remedy and obligations of the BoE.

"Involuntary resettlement" - Involuntary resettlement refers both to physical displacement (relocation or loss of shelter) and economic displacement (loss of assets or resources, and/or loss of access to assets or resources that leads to loss of income sources or means of livelihood) as a result of Project-related land acquisition and/or restrictions of land use. Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition, or restrictions on land use, that result in displacement, like in case of

lawful expropriation; or in all cases of negotiated resettlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.

"Land Acquisition and Resettlement Framework" - Refers to this document which describes overall resettlement policy structure for the Project.

"Law of Expropriation" - Refers to Law of Expropriation of Republic of Serbia, published in the Official Gazette RS, No. 53/95 dated December 28, 1995, including changes of 23/01 dated April 6, 2001 (FCC), 20/09 dated March 19, 2009 and 55/13 dated June 25, 2013.

"Livelihood restoration" - Includes all efforts to be undertaken to assist PAPs impacted by physical or economical displacement to improve their livelihoods and standards of living, or at least to restore to level before displacement or to level prior to the beginning of Project implementation, whichever is higher. Assistance in livelihood restoration will continue in a transition period, based on a reasonable estimate of the time likely needed.

"Moving allowance" - The moving allowance is a cash compensation for expenses directly associated to moving/relocation of the household.

"PAP - Project Affected Person" - PAP is any person who, as a result of the implementation of the Project experiences loss of assets or access to assets.

"Physical displacement" - Loss of shelter and assets resulting from the expropriation of land associated with the Project that requires PAPs to move from home, work place or business premises to another location.

"Project" - When used in this LARF the Project refers to the following components:

Part A: Construction of two new sections of the Corridor X motorway, branch from Nis to Dimitrovgrad:

A-1: Construction of the section from Crvena Reka to Ciflik

A-2: Construction of the section from Pirot (East) to Dimitrovgrad

Part B: Construction of a local road from Bela Palanka to Pirot

Part C: Construction of:

- New Regional Motorway Control Centre at Niš;
- New State Road Section and Rehabilitation of Existing Sections of State Roads connecting to the Corridor X Niš – Dimitrovgrad Motorway including construction of Sopot Interchange (E80). Also, rehabilitation of certain sections of A-1 (E75) Motorway, including improvement of Batajnica Interchange and construction of Gramade Interchange.

"Project implementation" - When used in this LARF includes planning, execution, monitoring and evaluation of the Project.

"Project Promoter" - Refers to the responsible state agency for Project implementation, in this case Republic of Serbia, Ministry of Construction, Transport and Infrastructure and Koridori Srbije Ltd. and their PIU respectively if established.

"RAP - Resettlement Action Plan" - The document prepared in case of the Project implementation involve physical displacement of people, regardless of their number, consistent with the principles and objectives of EBRD PR5 performance requirements and with this LARF in which responsible entity specifies the procedures that it will follow and the actions that it will take to mitigate the negative impacts of displacement, identify potential benefits and establish the entitlements of all categories of Affected Persons (including host communities), with particular attention paid to the needs of the Vulnerable Groups.

"Resettlement" - Relates to all cases of land acquisition and compensation for loss of assets, whether it involves actual relocation, loss of land, shelter, assets, property, to all cases of economic displacement or other means of livelihood and includes all the measures taken to mitigate any and all adverse impacts of the Project on PAP's property and/or livelihood, including compensation, relocation (where relevant), and rehabilitation.

"Replacement cost" - Refers to a method of valuation of assets that helps determine the amount sufficient to replace lost assets and cover transaction costs as defined by PR5 resettlement policies. "Replacement cost" is defined as follows: for agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. For land in urban areas, it is the pre displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes. For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labour and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard.

"Stakeholders" - Any and all individuals, groups, organizations, and institutions interested in and potentially affected by a Project, or having the ability to influence the Project.

"Transitional allowance" - Describes one-off cash compensation as an additional financial assistance to facilitate PAP adjustment in the area to which they are relocated. It is determined on a case to case basis, depending on information gathered during social survey and by obtaining relevant data on income and

livelihood. Transitional allowance shall then be determined commensurate with the loss.

"Vulnerable groups" - Refers to people who are exposed to higher risks of poverty and can include people living below the poverty line, the landless, the elderly, women and children headed households, and those who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may be more adversely affected by resettlement than others or who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits.

1 Introduction

The main objective of this Land Acquisition and Resettlement Framework (LARF) is to serve as an additional Guidance Note to modernize and strengthen the guiding principles of the Involuntary Land Acquisition and Resettlement process implemented under the Resettlement Policy Framework for the Corridor X Highway Project¹ as negotiated and agreed between the Republic of Serbia (as the Borrower) and the European Bank for Reconstruction and Development, European Investment Bank and World Bank in 2009.

The Republic of Serbia has requested a restructuring of the Loan Agreement as entered into on 22 September 2009, and amended by Amendment Agreement No. 1 dated 12 December 2012 and Amendment Agreement No. 2 dated 24 July 2013 (together, the “Original Agreement”), with the aim to utilize the unutilized proceeds of the loan. Following successful negotiations, the Original Agreement has been restructured and new components added to the scope of the Project.

The Project, which originally included the following Components:

Part A: Sections of the Corridor X Motorway:

A-1: Construction of the section from Crvena reka to Ciflik,

A-2: Construction of the section from Pirot (East) to Dimitrovgrad

Part B: Construction of a local road from Bela Palanka to Pirot,

now includes the Component:

Part C: Subprojects listed in table below:

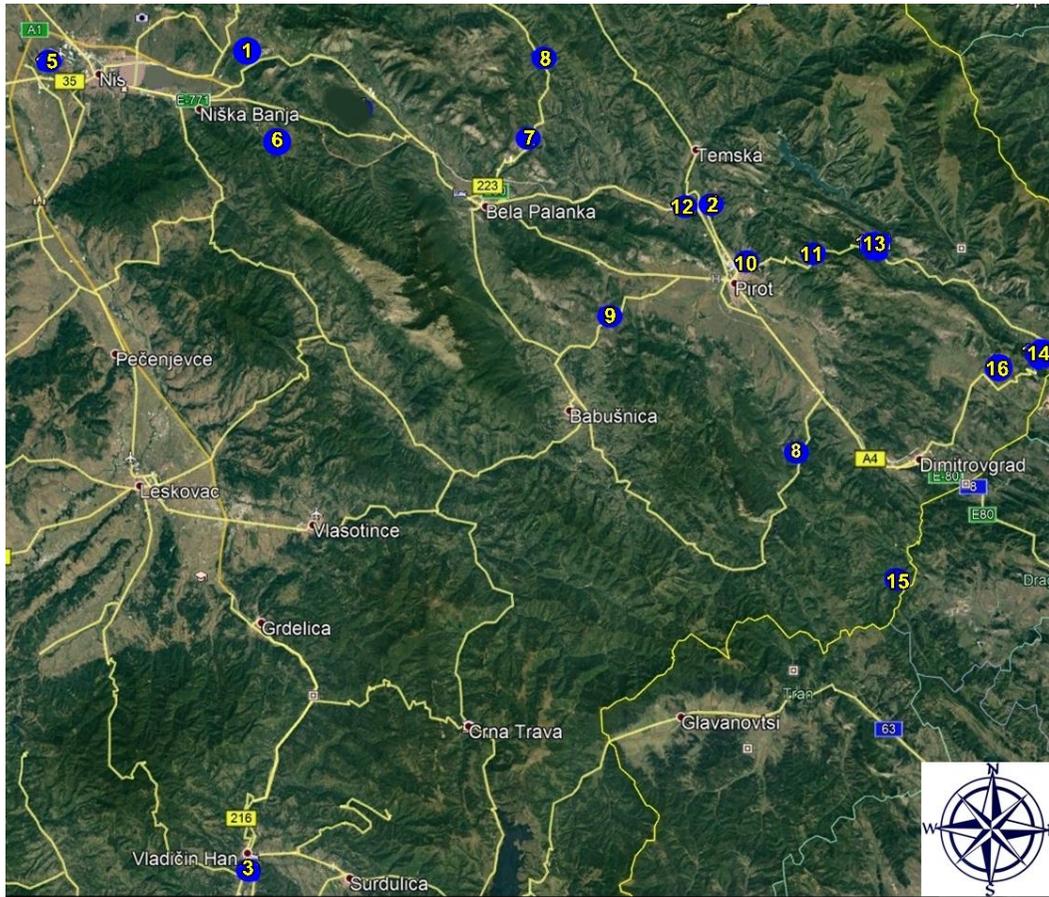
| CONSTRUCTION WORKS (HIGHWAY E80) | |
|---|--|
| 1 | Traffic loop Malča on E80 - divided into: <ul style="list-style-type: none"> ➤ LOT 1 – Construction of the section: From Traffic loop "Malča" to Interchange "Prosek" (L=2km) ➤ LOT 2– Rehabilitation of the section: Connection of traffic loop "Malča" and Highway A-4 (L=4km) |
| 2 | Construction of Interchange Sopot (Highway E80) |
| CONSTRUCTION WORKS (HIGHWAY E75) | |
| 3 | Construction of Interchange Gramadje (Highway E75) |
| 4 | Completion of Batajnica Interchange (Highway E75) |
| 5 | Design and construction of Regional control centre in Niš |
| REHABILITATION WORKS (HIGHWAY E80) | |
| 6 | Rehabilitation of the alternative road to Sicevo Gorge on E80 (L=15.75km) |
| 7 | Rehabilitation and conformation of the bridge category with the state road of IIA class and rehabilitation of section: Donja Glama – traffic hub Bela Palanka on E80 (L=5.14km) |
| 8 | Rehabilitation of section from junction Pajez to Donja Glama on/near E80 (L=6km) |

¹ Available at www.koridorisrbije.rs, last accessed May 16, 2018

| | |
|----|--|
| 9 | Rehabilitation of section Sadikov bunar - Blato (L=3.1km) |
| 10 | Rehabilitation of section: Pirot (small bridge) - Kitka (quarry) (L=6.1km) |
| 11 | Rehabilitation of section from Monastery St. Ilija to Rsovci (L=2.0km) |
| 12 | Rehabilitation of section: Sopot traffic loop - Entrance to Pirot (Industrial zone) (L=6km) |
| 13 | Rehabilitation of the section from the village Izatovci to the village Slavinja (L=6km) |
| 14 | Rehabilitation of section: Hub Trnski Odorovci (22303) - Hub Sukovo (L=8.1+6.1km) |
| 15 | Rehabilitation of section Junction Dimitrovgrad - Intersection with the local road to Verza (L=7.825km) |
| 16 | Rehabilitation of the section from the village of Smilovci to the place Protopopinska vodenic (L=4km) |
| | REHABILITATION WORKS ON BELGRADE BYPASS |
| 17 | Rehabilitation of section: Interchange "Belgrade" (Dobanovci) - Bridge no.8 "Sava" (Ostruznica) (Highway E75) (L=10.2km) |
| | REHABILITATION WORKS ON HORGOS –NOVI SAD HIGHWAY |
| 18 | Rehabilitation of the Section (Highway E75): State Border of Hungary - Novi Sad (L=40km) |

Maps shown below depict the locations and relative positions of Sub-Projects on the Highways E75 and E80.

Figure 1 - Sub-Projects in the southbound area



Legend of Project components:

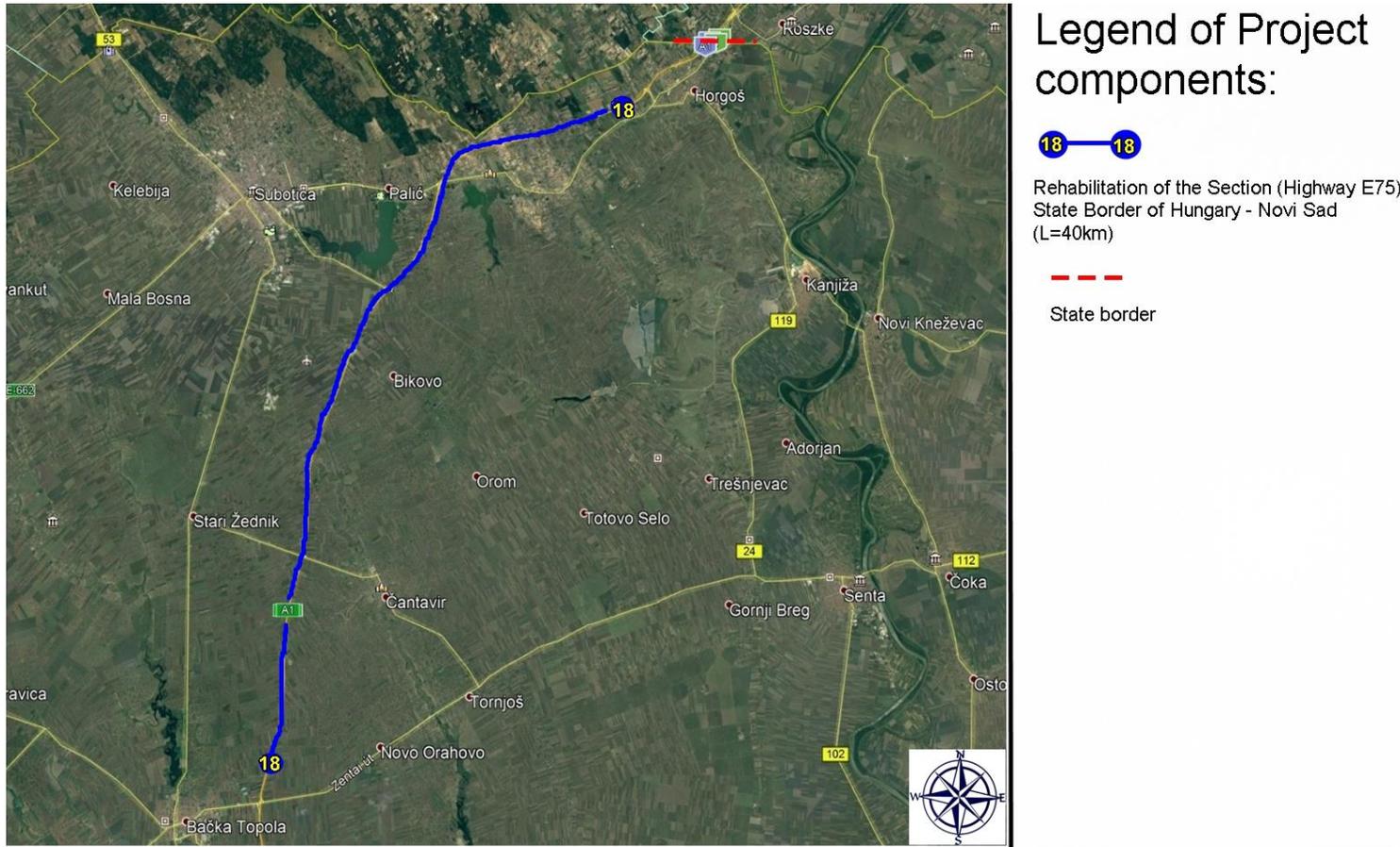
- 1** Traffic loop Malca on E80
- 2** Interchange Sopot (Highway E80)
- 3** Interchange Gramadje (Highway E75)
- 5** Regional control centre in Niš
- 6** Alternative road to Sicevo Gorge
- 7** Donja Glama – traffic hub Bela Palanka
- 8** Pajez to Donja Glama on/near E80
- 9** Sadikov bunar - Blato
- 10** Pirot (small bridge) - Kitka (quarry)
- 11** Monastery St. Ilija to Rsovci
- 12** Sopot traffic loop - Entrance to Pirot
- 13** Izatovci to the village Slavinja
- 14** Trnski Odorovci - Sukovo
- 15** Dimitrovgrad - local road to Verzar
- 16** Smilovci to the place Protopopinska

Map of the Southbound Project area

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Map provided by Google Earth

Figure 2 - Sub-Projects in the northbound area

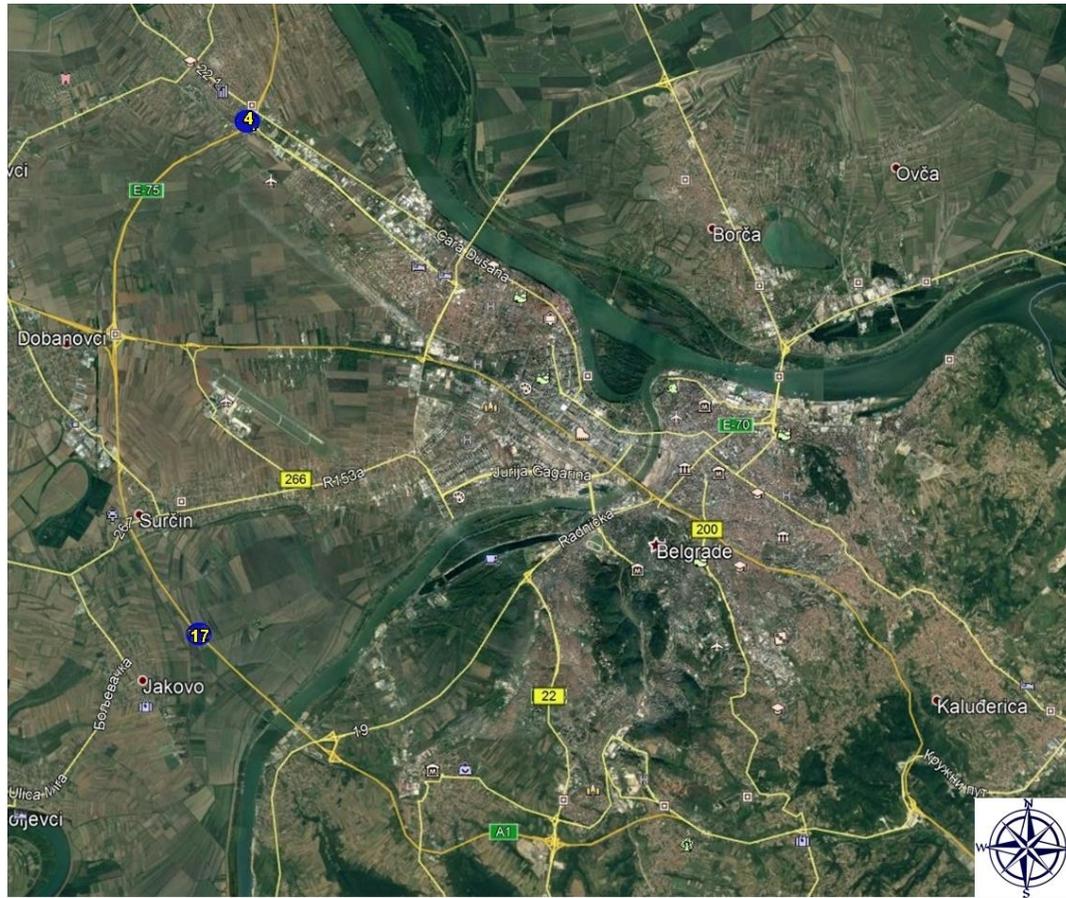


Map of the Northbound Project area

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Map provided by Google Earth

Figure 3 - Sub-Projects in the central area



Legend of Project components:

- 4 - Completion of construction at Batajnica Interchange (Highway E75)
- 17 - Rehabilitation of section: Interchange "Belgrade" (Dobanovci) - Bridge no.8 "Sava" (Ostruznica) (Highway E75) (L=10.2km)

Map of the Central Project area

ARUP

Map provided by Google Earth

During the Due Diligence stage for component C a high level assessment of potential economic and physical displacement has been performed. The above listed Sub-Projects will have fairly limited impacts to land and assets attached thereto.

Land acquisition will be required solely for Sub-Project involving new construction i.e. projects referenced as items 1 through 4 in the table above. Sub-project 5 is being developed within the Right of Way on the location of the existing state owned road maintenance base. The preliminary assessment indicates that no physical displacement will occur and that the total disturbed land-area amounts roughly to 3 ha of land, affecting approx. 200 land parcels. This estimation is based on the initial design scoping and the full extent of impact will be known only after the detailed designs are completed. It is reasonable to expect that the total area affected will be downscaled compared to the assessment presented in the initial design, since the detailed design requires that more thorough land plan schedules are prepared. Disaggregation of the affected land per type indicates that 90% of the affected land is classified as agricultural land divided into several sub categories based on the quality of land (Class 1, 2, 3, 4 etc.). 56 % of all disturbed land falls within the 3rd category of arable land, while the remaining 44% is fairly equally distributed amongst arable land 1st class, woodland, pasture and orchards. The main cultivation activities are related to subsistence production and do not represent the main source of income. However, more details on the livelihoods of the affected persons will be acquired and existing data verified during the socio-economic surveys informing the site specific RAPs. At this stage, with information currently available no physical displacement is anticipated.

With regards to the rehabilitation works, Sub-Projects 6 through 18 in the table above, very little information is available at this time. The preliminary concept design for all these sections includes a methodology that would not require additional permanent land take for the works. However, some temporary land occupation might occur. As the design is further developed for these sections, potential impacts including economic and physical relocation will be monitored and should any negative impacts are noted, the provisions of this LARF shall be implemented.

1.1 Principles and Objectives

As noted above this LARF is made to serve as an additional Guidance Note to modernize and strengthen the guiding principles of the Resettlement Policy Framework. The provisions of the Resettlement Policy Framework shall, save as clarified by this Guidance Note, continue in full force and effect for the Sections financed exclusively or in part by the EBRD.

The Guidance note has made no interventions in the Legal Framework as there have been no changes in the laws, policies and procedures guiding the expropriation since 2009.

1.1.1 Guiding Principles of LARF

During implementation of the Project, the need for land acquisition and involuntary resettlement will occur as a result of civil works planned under the Project. This document provides basic and binding principles to be applied in all cases of physical resettlement, economic displacement and all other adverse social impacts caused by Project implementation in any of its phases. These principles should govern all actions of the Project Promoter and its representatives, its PIU, their subsidiaries if any, contractors, all other state and local institutions involved in the Project implementation. The fundamental principles guiding resettlement in this Project are:

- If possible, all resettlement should always be avoided by exploring all viable alternatives during Project design and selection of alternatives.
- If this proves to be impossible, all adverse effects should be rendered to the bare unavoidable minimum.
- When unavoidable adverse effects and social impacts occur, all loss of property shall be compensated at the value of replacement costs and PAPs livelihood restored at least to the level before the Project implementation, or improved.
- PAPs will be assisted in all phases of the Project in their effort in restoration of livelihood and living standards in real terms to the level prior to Project implementation and resettlement.
- All resettlement needs to be managed in accordance with national laws, EBRD PR5 performance requirements, accepted international best practices and provisions of this document. As a fundamental rule under this LARF, during the implementation of the Project, the policy that is most beneficial to the PAPs will always prevail.
- Project Promoter will be involved in all resettlement activities and at the earliest stage possible in the project design, in order to provide cost-effective, efficient and timely implementation of principles and objectives set by this LARF, as well to promote innovative approaches for improving the livelihoods and standard of living of those affected by involuntary resettlement.
- Special support and concern in the resettlement process, as well as during implementation off all phases of the Project under this LARF is provided for affected vulnerable groups, according to their specific vulnerability. Inclusion of women from affected households in all public consultation, specific mitigation measures gender tailored, and other measures with the goal to provide women the possibility to participate in mitigation measures provided for resettlement impact, will be guaranteed under this LARF. The documentation for ownership or occupancy, such as title deeds and lease agreements (including the bank accounts established for payment of compensation), will be issued in the names of both spouses, if the expropriated assets are part of marital property of both spouses. Other resettlement assistance, such as skills training, access to credit and job opportunities will be made equally available to men and women and adapted to their needs.

- In accordance with this LARF, individual RAP(s) will be prepared for each sub-project. LARF and the RAP(s) will be publicly disclosed during public consultations held prior to its final approval to allow affected persons and stakeholders to participate in Project development, planning and implementation of resettlement programs.
- During the Project implementation and resettlement cycle, stakeholders will be provided with full information about their grievance rights, possibilities and procedures. All grievances will be taken into account during Project implementation and resettlement activities.
- All resettlement activities should be conceived and conducted as sustainable projects by providing sufficient investment resources to enable principles and goals of resettlement defined by this LARF and RAP(s) to be applied.

1.1.2 Objectives of LARF

The main objective of LARF is to define overarching principles, procedures, actions, organizational structures and capacity requirements during resettlement and its impact attributable to Project implementation. It also provides the framework for the development of RAP(s) under the Project. LARF specific objectives are:

- to classify RS legal solutions in all events of involuntary resettlement, relocation and loss of assets, including legal and administrative procedures and compensation paid for loss of assets; compare them to EBRD PR 5 performance requirements and international best practices; and provide the way to bridge the gaps, if any;
- to identify key institutions of RS, besides the Project Promoter, involved in Project implementation, including especially legally authorized state institutions implementing the procedures and safeguards of involuntary resettlement process; who can support the Project Promoter implement measures and monitoring in order to provide compliance with PR 5, international best practices, this LARF and RAP(s);
- to identify stakeholders and ways of their engagement in course of Project implementation;
- to present PAPs eligibility criteria and compensation entitlement matrix according to type of lost assets;
- to define the process of identification and evaluation of affected assets and the value of compensation to replace the loss of assets;
- to provide procedures that allow prompt and effective compensation at full replacement cost for loss of assets or access to assets;
- to describe mitigation measures under this LARF and RAP(s), including procedures in order to minimize impacts on PAPs during Project implementation, including specific mitigation measures provided for vulnerable groups and women;

- to define grievance and complaint rights, process, bodies and procedures available to PAPs during the whole course of Project implementation, including feedback reporting;
- to describe and provide directions for preparation of RAP(s) and approval procedure, future RAP(s) outlines and their implementation process;
- to specify requirement of public disclosure, disclosure of documents, public and local community involvement in all phases of Project preparation; including development of LARF and RAP(s); especially including public consultation in the PAP communities during process of involuntary resettlement and Project implementation that may result in loss of assets;
- to establish a gender-sensitive framework for resettlement in order to determine differential impacts since economic and social disruption do not result in equal hardship for women and men;
- to specify monitoring activities during all phases of the Project, especially regarding resettlement issues, safeguarding the legal process and processes defined under this LARF, and evaluation of the resettlement process.

2 Gaps Between RS Legislation and PR5 in the Resettlement Process

2.1 Key Issues

Projects, which are fully or partially sponsored or funded by support of EBRD, triggering land acquisition and involuntary resettlement are subject to PR 5 performance requirements. These policies are not restricted to case of physical resettlement, but also to economic displacement consequential from resettlement or restricted access to resources (land, water, or forest), resulting from Project implementation or its associated facilities. EBRD PR 5 applies to all components of the Project causing involuntary resettlement, regardless of the source of Project component funding. It further applies to other activities that cause involuntary resettlement, which are directly and significantly attributable to this Project, necessary to be accomplished according to the goals defined in Project documents, and implemented, or are planned to be implemented with the Project.

However, all infrastructural and other projects executed in RS are subject to national legislation provisions and requirements, the overarching law being the Law of expropriation. During many years of practice in implementing projects funded by different International Financial Institutions it has been noted that RS courts, national and local authorities in some cases show impotence in directly implementing any provisions not included in the national legislation. This was successfully overcome during previous projects by additional activities of the Project Promoter. Article 16. of RS Constitution states that all general accepted rules of international law and ratified international treaties shall be an integral part of the legal system in the Republic of Serbia and applied directly. This provision allows direct implementation of IFI's resettlement policies, provisions of this LARF and RAPs next to existing Serbian laws, and most importantly a way of legally bridging of the gaps between them.

2.2 Differences Between RS Legislation and PR5

This chapter highlights some of the key differences between the national legislation and PR5 resettlement policies. They were chosen here because they refer to the differences in which the compensation is determined. The summary of all gaps and differences between the Law and PR5 is presented in chapter 2.3 below.

2.2.1 Rights and Informal/Legal Users

The RS legislation doesn't recognize the rights of informal possessors (owners/users) in the process of expropriation according to the Law on Expropriation. As that Law is the only legislation treating resettlement impacts that occur during infrastructure or public construction projects declared for public interest, it is safe to say that RS legislation does not recognize the status of PAPs to informal possessors that are in fact affected by such projects. However, PR 5

entitles all persons that are affected by the Project to compensation and assistance, including possessors that have no recognizable rights over the property they are occupying. In the case of physically displaced persons who have no recognizable legal right or claim to the land they occupy the Project Promoter is required to offer them a choice of options for adequate housing with security of tenure so that they can resettle legally without having to face the risk of forced eviction. Compensation in kind will be offered in lieu of cash compensation where feasible, unless the payment of cash compensation for lost assets may be more appropriate, such as cases where: (1) livelihoods are not land-based; (2) livelihoods are land-based but the land taken for the project is a small fraction of the affected asset and the residual land is economically viable; or (3) active markets for land, housing and labour exist, displaced persons use such markets, and there is sufficient supply of land and housing. Cash compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.

In practice, this group mainly refers to persons who constructed buildings without permits that cannot be subject to legalization as they were built on state owned land, or persons that are occupying private, public or state owned construction or agricultural land. RS legislation entitles such possessors to compensation of costs of structures and installations in terms of made investment – the assessed value of materials used, crops, woods, trees, fruit bearing trees, vineyards, the age of crops and the time needed to reproduce them. However, under the Serbian legislation such compensation is not treated under the Law on Expropriation but under the Law on Fundamentals of Property Relations. PR 5 requirements maintains the same approach for all affected persons, protecting all persons that are suffering loss of property, actual or economic displacement and decline of livelihood due to Project implementation regardless of their legal title on the property they are using. As PR 5 are most beneficial to the PAPs, it will prevail following the previously proclaimed fundamental rule.

2.2.2 Gap Between Market Price and Replacement Costs

The national legislation uses a general term "market value" or "market price" when referring to the compensation assessment. This value is calculated based on prices of similar property or asset in the area, which can be achieved for a particular property or asset on the market, depending on the supply and demand at that moment of setting the price. For assessment of agricultural land (if replacement land cannot be found which is most often the case) and construction land the Law states that the compensation price will be determined by the local Tax Administration offices, working under the Ministry of Economy (MoF). For other assets, like structure or crops, expert appraisers are appointed. As per PR 5 "Replacement cost" is defined as the market value of the assets plus the transaction costs related to restoring such assets. Where national laws does not meet the standard of compensation at full replacement cost, compensation under domestic law will be supplemented by additional measures so as to meet the replacement cost standard. Under this LARF, during the Project implementation process, the PR 5 will also prevail in a principle of "replacement value" as it is more beneficial for the PAPs.

2.2.3 Assistance During Resettlement Process

The most substantial difference between the Law on Expropriation and PR 5 is that according to the national legislation the former owners are not entitled to any further assistance or compensation during and after relocation, other than the replacement cost. The owners do not get any support for re-establishing their assets (no fast track administration procedure for permits, licences or utility connections). Also the tax and administration fees are not included in the compensation and depreciation of property value (amortization, except for land) is included in the assessment of compensation.

2.3 Gap Analysis

For the most part the national legislation is in line with EBRD PR5. The table below refers only to the gaps between the resettlement solutions envisaged by national legislation and EBRD PR 5 policies, and the way these gaps will be bridged. The complete overview of entitlements, compensation and mitigation measures of adverse effects are provided in the Entitlement matrix in chapter 3.3.

Table 1 Gap Analysis

| Subject | RS laws | PR 5 requirements | Gaps and measures for bridging the gaps according to PR requirements, best international practices and this LARF |
|---|--|--|--|
| Additional assistance to PAPs after physical and/or economic resettlement, livelihood restoration | Only vague references to assistance without clear particular legal provision | <p>It is necessary to provide additional assistance during and after relocation. Particular attention is to be paid to the needs of the poor and vulnerable individuals and groups.</p> <p>Measures should be included to provide displaced people with legal assistance to enable them to complete administrative requirements prior to land acquisition and, if needed, to seek redress from the courts.</p> <p>Provide relocation assistance sufficient for PAPs to restore, and where possible improve, their standards of living.</p> <p>In case of economic displacement provide additional targeted assistance and opportunities to restore, and if possible improve, income-earning capacity, production levels, business opportunities and standards of living.</p> | KS will monitor PAPs readjustment after physical and/or economic resettlement based on a reasonable estimate of the time likely to be needed to restore their livelihood and standard of living. Displaced persons and vulnerable individuals and groups affected by the Project will receive compensation for costs of relocation and any additional costs regarding relocation for the purpose of livelihood restoration and bridging the transitional period after resettlement or by virtue of vulnerability. The site specific RAP shall include measures and design of adequate support and assistance commensurate to the impact, as a way to bridge the gap. |

| Subject | RS laws | PR 5 requirements | Gaps and measures for bridging the gaps according to PR requirements, best international practices and this LARF |
|---|---|--|--|
| Resettlement instruments, census and social impact assessment | The only document prepared is the Expropriation impact study which includes recording of the land parcels required for the Project and identification of owners through the cadastre. There is no socio-economic assessment or baseline collected | Preparation of this LARF, individual RAPs, socio-economic baseline assessment and census survey. | RAPs, Census Survey and Socio-economic impact assessments shall be prepared in addition to the national requirements. |
| Public consultations | The public in general is notified about the project through the process of general spatial or specific urban detailed plan approvals and/or Environmental impact assessment. However, there is no requirement to consult the potential PAPs directly prior to the start of expropriation. There are no provisions on public discussions, census, socio-economic baseline assessment or any sort of involvement of stakeholders and communities potentially affected by the Project. | Meaningful consultations with affected persons and communities, local authorities, and, as appropriate, nongovernmental organizations need to be carried out. All resettlement activities are implemented with appropriate disclosure of information, consultation and the informed participation of those affected. From the earliest stages and through all resettlement activities the client will involve affected citizens (men and women), including host communities. This will facilitate their early and informed participation in the decision-making processes related to resettlement. | The Project Promoter shall disclose and consult publicly on this document and every other individual resettlement instrument. PAP's and stakeholders will be informed and consulted during the planning phase and during all the implementation phases of the Project to bridge the gaps, insuring that PR 5 requirements are fully met. |
| Cut-off date for eligibility and census | The Law stipulates that the cut-off date for eligibility is the date when the property owner is informed about the expropriation process. | Normally, the cut-off date is the date the census begins. The cut-off date could also be the date the project area was delineated, prior to the census, provided that there has been an effective public dissemination of | Census and assets inventory in accordance with the PR 5 requirements will be prepared for site specific RAPs. The cut-off will be the date of the start of the census. This will be publicly announced and published by the Beneficiary of Expropriation (BoE) in local newspapers. Owners and |

| Subject | RS laws | PR 5 requirements | Gaps and measures for bridging the gaps according to PR requirements, best international practices and this LARF |
|---|---|---|---|
| | | <p>information on the area delineated, and systematic and continuous dissemination subsequent to the delineation to prevent further population influx. The Project Promoter is expected to carry out a detailed census to: (i) identify persons who will be displaced by the project; (ii) determine who will be eligible for compensation and assistance; and (iii) take inventory of affected land and property. The census should take into account the needs of seasonal resource users who may not be present in the project area during the time of the census.</p> | <p>users will be informed of the initiation of the expropriation process, the cut-off date and the contact persons who may be contacted by PAPs for further information. The cut-off date will also be publicly disclosed, on notice boards in local communities and municipalities and at consultation meetings, with an accompanying explanation. The public announcement will also be posted, as necessary, on frequently visited locations throughout the affected areas.</p> |
| <p>Timing of compensation payments and taking possession of expropriated property</p> | <p>At the request of the BoE taking possession of the expropriated property can be allowed before the payment of compensation on the basis of public interest following the issue of the final decision on expropriation, provided that the BoE defined the basis for compensation under the provisions of the Expropriation law. This is very frequently used.</p> | <p>The compensation should be provided before construction work start and before taking possession of the assets</p> | <p>Taking possession over the affected property is possible only once the compensation is paid or a formal court process or grievance registered, and original compensation amount deposited on an escrow account or similar.</p> |
| <p>Resettlement of formal owners of immovable property (houses,</p> | <p>Option 1: Cash compensation at market value + Moving costs (methodology for determination</p> | <p>Resettlement - Replacement property is offered, of equal or higher value and</p> | <p>Option 1: Cash compensation - at replacement costs as defined in PR 5 will be paid to property owner - market price of property + moving costs + registration of</p> |

| Subject | RS laws | PR 5 requirements | Gaps and measures for bridging the gaps according to PR requirements, best international practices and this LARF |
|---|--|---|---|
| including construction land) and those who do not have formal legal rights to land or property at the time of the census, but who have a claim to land that is recognized or recognizable under national laws | of moving cost is not defined in the law, but included in practice in the property evaluation reports. or Option 2: Compensation in kind - Appropriate replacement property is offered if the owner agrees to this type of compensation and if certain legal terms are met. | similar traits + Moving and transitional allowance + Administrative and tax fees If appropriate replacement property cannot be found, cash compensation at replacement cost. | ownership, administrative and tax fees + transitional allowance. or Option 2: Replacement property - will be possible only at owner request and if legal terms are met, as defined by Law on Expropriation. In that case transitional and moving costs shall be paid to the property owner. |
| Displacement of formal owners of agricultural land | Appropriate (equal in value, quality, cultivation type, class and area) replacement land offered in the vicinity. But, the Law further defines that if appropriate land cannot be found (which is almost always the case) cash compensation at market value will be paid, as assessed by the tax authorities. | Displacement - Replacement property of equal or higher value and similar productivity + Administrative fees + Loss of income. If appropriate (payment of cash compensation for lost assets may be appropriate if: (i) livelihoods are not land-based; (ii) livelihoods are land-based but the land taken for the project is a small fraction of the affected asset and the residual land is economically viable; or (iii) active markets for land, housing and labour exist, displaced persons use such markets, and there is sufficient supply of land and housing), compensation at full replacement costs is paid, including market price for property, moving costs, | If livelihood of property owner is agriculturally based, according replacement property should be offered + Moving and transitional allowance + Administrative fees If appropriate land cannot be found, cash compensation at full replacement value will be paid: market price of property + moving costs + registration, administrative and tax fees + transitional allowance. |

| Subject | RS laws | PR 5 requirements | Gaps and measures for bridging the gaps according to PR requirements, best international practices and this LARF |
|---|--|--|---|
| | | transitional allowance, and registration, administrative and tax fees. | |
| Resettlement of informal owners of buildings - usually owners that have recognized ownership right - right of ownership by construction, but didn't have a building permit and cannot be subject to legalization process as property was constructed on state owned land. | The property owner is entitled to building construction costs - building material and compensation for time and labour needed for construction of a similar building. | Building owner without formal rights is treated equally as property owner with formal rights. Therefore: Option 1: Resettlement - Replacement property is offered, of equal or higher value and similar traits + Moving and transitional allowance + Administrative and tax fees Option 2: Cash compensation at replacement cost. | Cash compensation - at replacement costs as defined in PR 5 will be paid to property owner - market price of property + moving costs + registration, administrative and tax fees + transitional allowance. |
| Displacement of informal users of agricultural land (i.e. using state land for agriculture production without any rights) | Property user is entitled to cash compensation for any improvements made on the land, such as irrigation, drainage, perennial crops, objects, woods, trees, fruit bearing trees, vineyards, crops at market price and the time needed to reproduce them etc. | Project Promoter should offer options for adequate housing with security of tenure so that they can resettle legally without having to face the risk of forced eviction. Property user as an investor is entitled to cash compensation for any improvements made on the land e.g. irrigation, drainage, perennial crops, objects etc. at replacement cost, and support after displacement for a transition period to restore livelihood. | The Project Promoter will, if possible, locate and offer to PAP replacement property - similar state owned agricultural land for lease in the vicinity, or if that is not possible, in the same municipality. Property user is entitled to cash compensation at replacement cost for any improvements made on the land, such as irrigation, drainage, perennial crops, objects, woods, trees, fruit bearing trees, vineyards - market price + labour and time needed to reproduce them + transitional allowance. |
| Resettlement of users, without any rights, on building or land for housing – squatters | No particular legal provision | Project Promoter will offer an option for adequate housing with security of tenure so that they can resettle legally without having to face the risk of forced eviction. | The Project Promoter will, if possible, locate and offer to PAP replacement property - similar state owned land or property for off-market lease in the vicinity. |

| Subject | RS laws | PR 5 requirements | Gaps and measures for bridging the gaps according to PR requirements, best international practices and this LARF |
|---|--|--|---|
| Displacement of the lessee of agricultural land | The lessee is entitled to cash compensation for any improvements made on the land, such as irrigation, drainage, perennial crops, objects, woods, trees, fruit bearing trees, vineyards, crops and the time needed to reproduce them etc. | The lessee is entitled to cash compensation for any improvements made on the land i.e. Irrigation, drainage, perennial crops, objects etc. at replacement cost, provision of lease to corresponding public owned property for an equivalent period of time, lost net income during the period of transition; and the costs of the transfer and reinstallation of the plant, machinery or other equipment, as applicable, and support after displacement for a transition period to restore livelihood. | National legislation does not provide for transitional allowance nor replacement land for lease, if land was leased from state. Support shall be offered to bridge the gap based on reasonable estimate of the time likely to be needed to restore livelihood, and Project Promoter will coordinate efforts with Ministry of agriculture to find and offer corresponding public owned agricultural land for lease. Compensation for all investments will be paid + moving costs if applicable + transitional allowance which will bridge the gap between RS laws and PR 5. |
| Business property (building used for business purpose like shops and offices) | Option 1: Cash compensation at market value + Moving costs (that are not defined in the law, but included in practice as "costs of expropriation process". or Option 2: Compensation in kind - Appropriate replacement property at owner request offered if certain legal terms are met. | Option 1. Alternative adequate property with adequate tenure arrangements, full relocation cost, including the inventory, and the replacement cost for any investment in the property, transitional allowance, lost net income during the period of transition; the costs of the transfer and reinstallation of the plant, machinery or other equipment, as applicable and appropriate level of support for skill upgrading training if necessary to restore livelihood. Option 2. Cash compensation at replacement cost for the property + the cost of re-establishing commercial activities elsewhere + lost net income during the period of transition + the costs | Option 1: Cash compensation - at replacement costs as defined in PR 5 will be paid to property owner - market price of property + moving costs + registration of ownership, administrative and tax fees + transitional allowance for bridging the gap. Option 2: Replacement property - will be possible only at owner request and if legal terms are met, as defined by Law on Expropriation. In that case transitional and moving costs shall be paid to the property owner. Project Promoter will design skill upgrading program, to be determined during social surveys for the RAP, if applicable. |

| Subject | RS laws | PR 5 requirements | Gaps and measures for bridging the gaps according to PR requirements, best international practices and this LARF |
|---|---|--|--|
| | | of the transfer and reinstallation of the plant, machinery or other equipment, as applicable and appropriate level of support for skill upgrading training if necessary to restore livelihood. | |
| Loss of a community commonly held resources (i.e. rangeland and pasture, non-timber forest resources) | No particular legal provision | Project Promoter needs to provide assistance that will offset any loss of a community's commonly held resources. This could take the form of initiatives that enhance the productivity of the remaining resources to which the community has access, in-kind or cash compensation for loss of access or provision of access to alternative sources of the lost resource. | The Project Promoter will bridge this gap by giving attention to commonly held community resources during social impact assessment and in any RAP. If applicable, appropriate measures will be included. The Project Promoter will fully adopt all PR 5 policies and provisions. |
| Loss of public amenities | No particular legal provision | Project Promoter shall undertake meaningful consultation with the locally affected community to identify and, where possible, agree upon a suitable alternative. | The Project Promoter will bridge this gap by giving attention to public amenities during social impact assessment and in any RAP. |
| Loss of benefits (salary or other similar income) | No particular legal provision | Cash compensation for net loss of income during the period of resettlement + provide additional targeted assistance (credit facilities, training or job opportunities) and opportunities to restore, and where possible improve, their income-earning capacity, production levels and standards of living. | The RAP shall transitional payment to compensate net loss of income during the reasonable transitional period and include additional targeted assistance (credit facilities, training or job opportunities) and opportunities to restore, and where possible improve, their income-earning capacity, as a way to bridge the gap. |
| Grievance mechanism and dispute resolution | The Law prescribes the possibility of appealing | The Project Promoter will establish an effective grievance mechanism as early as | Appropriate, accessible and affordable grievance mechanism shall be established in addition to legal rights |

| Subject | RS laws | PR 5 requirements | Gaps and measures for bridging the gaps according to PR requirements, best international practices and this LARF |
|--|--|--|---|
| | throughout expropriation phases but only within the existing state and court institutions and with statutory limits. | possible in the Project. It will be consistent with this PR and with the objectives and principles of EBRD Performance Requirements 10 in order to receive and address in a timely fashion specific concerns about compensation and relocation that are raised by displaced persons and/or members of host communities. It will include a recourse mechanism designed to resolve disputes in an impartial manner. | of PAPs to claim protection in proper court of RS. Structure of proposed grievance mechanism is provided in chapter 5 of this LARF. |
| Monitoring of resettlement and livelihood restoration implementation | No particular legal provision | Monitoring of the resettlement and livelihood restoration process will be carried out in accordance with EBRD Performance Requirements 1 and should involve the participation of key stakeholders such as affected communities. Depending on the scale of a project's resettlement, it may be appropriate for the client to commission an external completion report of the RAP to determine that the provisions have been met. The completion report should be undertaken after all inputs in the process, including any developmental initiatives, have been completed. The report may identify further actions to be completed by the Project Promoter. In the majority of cases, the completion of corrective actions identified by the completion report should bring the | This LARF defines the plan of monitoring and reporting the resettlement process and mitigation of adverse effects of the Project. |

| Subject | RS laws | PR 5 requirements | Gaps and measures for bridging the gaps according to PR requirements, best international practices and this LARF |
|-------------------|--|--|---|
| | | Project Promoter obligations for resettlement, compensation, livelihood restoration and development benefits to a close. | |
| Vulnerable groups | Compensation for expropriated property can be determined in a higher amount than the market price, taking into account financial and other personal and family situation of the previous owner, if those conditions essential for its existence (the number of household members, number of household members who are capable of earning, or who are employed, the health status of household members, monthly household income, etc.) | The Project Promoter will take into account any individuals or groups that may be disadvantaged or vulnerable. In particular, the Project Promoter will take necessary actions to ensure that vulnerable groups are not disadvantaged in the resettlement process, are fully informed and aware of their rights, and are able to benefit equally from the resettlement opportunities and benefits. These groups should be identified through the process of environmental and social assessment (as outlined in EBRD Performance Requirement 1). Also, additional requirements apply to consultations which involve individuals belonging to vulnerable groups | The Project Promoter will bridge this gap by giving special attention to vulnerable group and individuals. They will be offered additional compensation, legal assistance during resettlement and help during physical relocation, as well as priority of employment as appropriate and assessed during the social impact assessment for any RAP. The Project Promoter will fully adopt all PR 5 policies and provisions regarding vulnerable groups. |

3 Eligibility, Evaluation and Entitlement

3.1 Persons and Entities Eligible for Compensation and Assistance

According to this LARF, the following persons and entities are entitled to compensation as prescribed in the LARF, if present in the Project area prior to the cut-off date:

- Persons or legal entities who are formal owners or lessees of any affected property
- Persons or legal entities that are recognized users under the provisions of RS laws of any affected property
- Persons or legal entities that are unregistered² owners and informal users³ of privately or publicly owned affected agricultural or construction land, or part of the land;
- Persons that are users of affected property but have no legal rights to the property - squatters;
- Persons or legal entities owners of the crops that are affected by the Project (regardless of the status of land where it is planted);
- Persons or legal entities owners of the perennial plants and trees such as fruit bearing trees and vineyards, that are affected by the Project (regardless of the status of land where it is planted);
- Persons or legal entities owners of vineyards and orchards that have not given yield yet, and are affected by the Project (regardless of the status of land where it is planted);
- Persons or legal entities owners of the nursery which has not given yield yet, and are affected by the Project (regardless of the status of land where it is planted);
- Persons or legal entities who are formal or informal owners (building constructed without building permit on one's own land plot, or someone else's or state-owned plot) or lessees of the building (residential, commercial, industrial, institutional, auxiliary, etc.), or persons with occupancy rights on flats in expropriated residential building or apartment, or a part of the building that is affected by the Project, or informal users of public buildings; and
- Persons or legal entities owners of the affected business on the whole plot or part of it, and are affected by the Project (regardless of the status of land);

² Owners with recognisable legal right or claim

³ Persons who have established usage of public or private land and have immovable objects, crops, woods, trees, fruit bearing trees, vineyards etc.

- Workers, agricultural possessors and farmers on the affected property, whose incomes and livelihoods are permanently or temporarily under the impact of the Project;
- Communities or households whose access to their buildings, commonly held resources and amenities are affected by the Project;
- Persons or legal entities that are formal owners, or lessees, or legal users under the provision of RS law, or unregistered owners and informal users of land, and who are affected by the Project because of the temporary occupation of the land;
- Vulnerable groups, and individuals belonging to those groups, persons below the poverty line in accordance with national laws, women led households, single parents, elderly, disabled persons or those with long-term health problems) which are affected by the Project;
- Persons or legal entities whose losses cannot be determined or foreseen at this stage of the Project.

3.2 Cut-off Date

The cut-off date is a moratorium date for all claims against the property within the Project affected area. Persons encroaching into the Project area after the Cut-off date are not eligible for compensation or for any other mode of displacement assistance. Also, any investments in fixed assets (such as structures, crops, fruit, trees, woodlots, etc.) as a result of activities incurring after the Cut-off date will not be eligible for compensation. This cut-off date policy will not include persons who became owners of a property after the cut-off date by court decision if the court case existed prior to cut-off date. This Cut-off date provisions counters opportunistic claims from those moving into the Project area solely in anticipation of benefits.

In order to support the cut-off date for determining the eligibility of PAPs for displacement compensation and assistance, a census of persons and inventory of assets shall be produced, as soon as the Project area is identified, to enumerate all likely impacts, supported, if possible, by video and photographic evidence. The report on the surveys shall be signed off by the PAPs and BoE. The date of beginning of census will be considered as cut-off date. Before the census, BoE will publish notifications about the cut-off date in the local newspapers, informing all owners and users of the initiation of the expropriation process. The cut-off date will also be publicly disclosed on notice boards in local communities and relevant municipalities and at consultation meetings, with an accompanying explanation. The public announcement will also be posted, as necessary, on frequently visited locations throughout the affected areas.

3.3 Entitlement Matrix

Table 2 Entitlement Matrix

| Type of loss | Person with rights | Compensation policy |
|--|--|---|
| A – ECONOMIC DISPLACEMENT | | |
| LAND | | |
| Agricultural land regardless the severity of loss (whether partial or complete loss of property) | Owner with formal title (including those that have a claim to land that is recognised or recognisable under national laws) | Replacement land of equal or higher value and similar productivity in direct proximity or in the surroundings of the expropriated land together with all costs of resettlement and administrative fees needed for transfer of ownership rights, if any. Or Cash compensation at replacement costs: market price of property + market price for improvements + labour and time to install improvements at market price + moving costs + registration, administrative and tax fees. |
| | Lessee with valid documents of the right of lease who cultivates agricultural land pursuant to agreement | Compensation for all improvements made to the land (such as irrigation). Compensation will be paid at replacement cost: market price for improvements + labour and time to install improvements at market price + costs of equipment relocation and installation, if any. and Replacement land for lease, if land was leased from state, if possible |
| | PAPs without formal title (in possession of land prior to cut-off date) | Compensation for all improvements on land (such as irrigation). Compensation will be paid at replacement cost: market price for improvements + labour and time to install improvements at market price + costs of equipment relocation and installation, if any + transitional allowance and Replacement land for lease from state, if possible |

| Type of loss | Person with rights | Compensation policy |
|--|---|--|
| Construction land regardless to severity of loss (whether partial or complete loss) | Owner with formal title (including those that have a claim to land that is recognised or recognisable under national laws) , or legal users of publicly/state owned construction land | Cash compensation at replacement costs: market price of property + market price for improvements (such as infrastructure) + labour and time to install improvements at market price + moving costs + registration of ownership, administrative and tax fees, if any + transitional allowance or; At property owner demand, if legal terms are met, replacement land of equal or higher value and similar traits, in direct proximity or in the surroundings of the expropriated land + market price for improvements (such as infrastructure) + labour and time to install improvements at market price + moving costs + registration of ownership, administrative and tax fees, if any + transitional allowance |
| | Lessee with valid documents of the right of lease | Compensation: market price for improvements (such as infrastructure) + labour and time to install improvements at market price + moving costs + registration of ownership, administrative and tax fees, if any + transitional allowance + compensation for all rent paid in advance, for the period not expired And Replacement land for lease, if land was leased from state, if possible |
| | PAPs without formal title (in possession of land prior to cut-off date) | Compensation: market price for improvements (such as infrastructure) + labour and time to install improvements at market price + moving costs + registration of ownership, administrative and tax fees, if any + transitional allowance And Replacement land for lease, from state, if possible |
| Unviable land, agricultural or construction (In case the remaining area of land is not viable, it can be expropriated upon PAPs request) | Property owners, lessee or users regardless of their formal title or rights on private or publicly/state owned agricultural or construction land | Compensation according to type of property, defined the same way as above, in this section |

| Type of loss | Person with rights | Compensation policy |
|--|--|--|
| PLANTS AND STRUCTURES ON AGRICULTURAL LAND (but not physical relocation) | | |
| Loss of annual crops, that could not have been harvested prior to land repossession | Owners of crops (it is not of importance if the owner of crops is owner of land, or lessee, or informal owner/user of land providing that they bore costs of planting crops or acquired ownership in some other, recognizable way) | Cash compensation at replacement cost: market value of expropriated crops decreased by costs of harvesting crops |
| Loss of perennial plants and trees (fruit bearing trees, vineyards and fruit bearing plants) | Owners of plants (it is not of importance if the owner of plants is owner of land, or lessee, or informal owner/user of land providing that they bore costs of planting or acquired ownership in some other, recognizable way) | The right to harvest fruits and Cash compensation at replacement cost: market price of seedlings on the basis of type, sort and productive value + the net loss for the time needed to grow such plants according to year production market value + costs of investment (labour force, soil preparation etc.) to plant a new vineyard, orchard or similar + transitional allowance |
| Affected vineyards and orchards not yet fruit bearing | | Cash compensation at replacement cost: market price of seedlings on the basis of type, sort and productive value + the net loss for the time needed to grow such plants according to year production market value + costs of investment (labour force, soil preparation etc.) to plant a new vineyard, orchard or similar + transitional allowance |
| Wood mass (mature or nearly mature) | | Cash compensation at replacement cost: market price of wood determined based on the value of the “wood on the stump” + transitional allowance |
| Forests without mature wood mass | | Cash compensation at replacement cost: investment needed for planting a new forest (labour, seedlings) + net loss for the time needed to reproduce a replacement forest + transitional allowance |
| Nursery not yet yielding | | Cash compensation at replacement cost: investment in planting material (seedlings, labour and other reproductive material) + net loss for the time needed to grow same nursery + transitional allowance |

| Type of loss | Person with rights | Compensation policy |
|---|---|---|
| Buildings used for keeping and raising livestock (sheds, stables, etc.) | Owners of structures used for keeping livestock (it is not of importance if the owner of structures is owner of land, or lessee, or informal owner/user of land providing that they bore costs of construction or acquired ownership in some other, recognizable way) | Cash compensation at replacement costs; market price of the structure + + moving costs + administrative fees needed for transfer of ownership rights, if any + transitional allowance At property owner demand, if legal terms are met, appropriate replacement property + moving costs + administrative fees needed for transfer of ownership rights, if any + transitional allowance |
| All immovable improvements on land (such as irrigation). | Owners of improvements (it is not of importance if the owner is an owner of land, or lessee, or informal owner/user of land providing that they bore costs of improvements) | Cash compensation at replacement costs: market price for improvements + labour and time to install improvements at market price |
| Impact on agricultural employees, or processors | Workers, employees | In case of temporary disturbance of income source compensation on a one-time basis will be paid commensurate net income loss |
| | | In case of permanent income disturbance transitional allowance on one-time basis will be paid to assessed on reasonable time needed to restore livelihood means + Training for alternative jobs if possible + Priority in employment on the Project, if possible and on a case by case basis (In accordance with social assessment processed in RAPs) |
| BUSINESS (but not agriculture) | | |
| Business structures (shops, office buildings) etc. | Owners with formal title (including those that have a claim to structure that is recognized or recognizable under national laws) | Cash compensation at replacement costs: Structure at market price + Costs of equipment and inventory relocation and re-installation and moving costs + administrative fees needed for transfer of ownership rights, if any + Transitional allowance or; At property owner demand, if legal terms are met, replacement property of equal or higher value and similar feature, in direct proximity or in the surroundings of the expropriated building + Costs of equipment and inventory |

| Type of loss | Person with rights | Compensation policy |
|--|--|---|
| | | relocation and re-installation and moving costs + administrative fees needed for transfer of ownership rights, if any + Transitional allowance |
| | Lessee with valid documents of the right of lease who uses premises according to rent agreement | Cash compensation at replacement costs: Compensation for all improvements on premises (such as reconstruction, refurbishment etc.) calculated at replacement cost (material + labour + other costs needed to make same improvements elsewhere, if any) + Costs of equipment and inventory relocation and re-installation and moving costs + administrative fees needed for transfer of ownership rights, if any + Transitional allowance And; Replacement premises for lease, if premises were leased from state, if possible |
| | Owners without formal title (building constructed without building permit on one's own plot of land, or on somebody else's land - usually state owned) | Cash compensation at replacement costs: Structure at market price + Costs of equipment and inventory relocation and re-installation and moving costs + administrative fees needed for transfer of ownership rights, if any + Transitional allowance And; Replacement premises to be leased from state, if possible |
| Loss of non-agricultural businesses | Owner of business including owners of unregistered, but legal businesses | Moving costs + Transitional allowance + Any registration taxes or fees + Appropriate level of support for improving the skills if necessary to perform restoration of income source and livelihood. |
| Living premises (houses, flats) but where owner doesn't live in, so no physical resettlement is needed, but are used for lease as source of livelihood | Owner of property, (including those that have a claim to property that is recognised or recognisable under national laws, and including informal owners - building constructed without building permit | Cash compensation at replacement costs: Structure at market price + Moving allowance + Transitional allowance for loss of income for a reasonable time needed to restore income and livelihood |
| B - PHYSICAL RESETTLEMENT | | |
| Buildings (residential, houses, flats etc.) | Owner of property (including those that have a claim to property that is recognized or recognizable under national laws, and | Cash compensation at replacement costs; market price of the structure + + moving costs + administrative fees needed for transfer of ownership rights, if any + transitional allowance |

| Type of loss | Person with rights | Compensation policy |
|--|--|--|
| | including informal owners - building constructed without building permit) | or; At property owner demand, if legal terms are met, replacement property of equal or higher value, + moving costs + administrative fees needed for transfer of ownership rights, if any + transitional allowance |
| | Lessee of the affected property | Moving costs + administrative fees needed, if any + transitional allowance |
| | Lessee or person with occupancy right to state owned flat | Provide lease or occupancy rights of same kind of another equivalent, social or state owned property in the vicinity. If equivalent state or socially owned flat is not available in the vicinity, PAP will be offered state or social owned flat more remote from the area of expropriated flat + moving costs + administrative fees needed for transfer of ownership rights, if any + transitional allowance |
| Unviable buildings | Owner of property (including those that have a claim to property that is recognized or recognizable under national laws, and including informal owners - building constructed without building permit) | In case that the remaining building is not viable or under a physical impediment for physical use can be expropriated upon owner's request. Compensation is provided in the way as prescribed for that type of building in accordance with this matrix. |
| C – OTHER RESETTLEMENT SITUATIONS | | |
| Private, publicly or state owned buildings (abandoned public buildings, schools, kindergartens, or part of buildings) | Informal users, squatters | Moving allowance + Transitional allowance And; help in locating replacement property - similar state owned property for off-market lease in the vicinity |
| Loss of access to usual resources, amenities, community held resources and buildings | Communities or households | Renewing public ownership or services (roads, buildings of public interest or similar). Restoring access to conveniences or services to previous levels. |
| Impacts caused by temporary or partial occupancy of land and any damages to the property made during temporary occupancy | Property owner (including those that have a claim to land that is recognized or recognizable under national laws) | Market price of lease for duration of the occupancy + Replacement cost value in accordance with this matrix for affected crops, orchards, nurseries etc. + Compensation for any damages to the property evaluated at replacement cost And; |

| Type of loss | Person with rights | Compensation policy |
|-----------------------------|---|---|
| | | The land must be returned to original condition. Improved quality of the land due to top soiling work should not be removed, except if agreed upon differently with owner. |
| | PAPs without formal title (in possession of land prior to cut-off date) | Compensation for all improvements on land (such as irrigation). Compensation will be paid at replacement cost: market price for improvements + labour and time to install improvements at market price + costs of equipment relocation and installation, if any + transitional allowance + Replacement cost in accordance with this matrix for affected crops, orchards, nurseries etc. and Replacement land for lease from state, if possible. |
| Impact on vulnerable groups | Vulnerable persons, belonging to VG, with social status that may lead to more adverse effect by resettlement than others or who may be limited in their ability to claim or take advantage of resettlement assistance and related develop | On top of all rights defined in this matrix, vulnerable PAPs will be provided additional assistance including legal assistance and help during physical relocation. Any additional support required for any affected vulnerable households will be determined on case-to-case basis during socio-economic survey. These PAPs are given priority of employment on the project if that is possible. |
| Undetermined impact | Any person affected by impact | Any undetermined impact will be mitigated in accordance with principles and aims of this LARF |

4 Grievance Redress Mechanism

Respecting the grievance panels and its authorities made available under the national legislation, a Project Specific Grievance Mechanism shall be designed. Given the type of potential Project impacts, the Project will have a central redress mechanism i.e. the Central Feedback Desk (CFD) at the level of the Koridori Srbije Ltd. as the Implementing Entity. The CFD shall serve as both Project level information centre and grievance mechanism, available to those affected by implementation of all Project sub-components throughout the Project Cycle. Appendix 2 Sample Grievance Guidance Note provides an outline of a sample of the Grievance Guidance Note (GGN). The Note will be available in Serbian and appropriate languages, if such need should occur, during public consultations on the draft SEP. Copies of GGN shall be available at Municipal/City notice boards and Local Municipal offices (Mesna zajednica).

The CFD shall be established and effective within 30 days upon disclosure of the final SEP. Within the same period KS shall appoint suitable qualified persons fully knowledgeable about the Project, to act as reach out specialists and CFD members. The CFD procedure will help to improve the Project social performance since the number and nature of the received complaints is an indicator of the manner in which the Project is conducted.

Given the spatial dimension i.e. location of each of the Sub-Projects, it has been agreed that the CFD shall have one key member from Koridori Srbije, and a corresponding replacement member to act in their absence, appointed to act as a permanent member with authorities exercised over all activities. Other members of the CFD shall include a representative from the Local Municipality/City impacted by a specific Sub-project or geographically connected group of several Sub-Projects. The third member will be representing the PAPs from the immediate area of impact (best practice has proven that well known, respected and well absorbed members of the local community serve as most effective members). This person could be someone from public service (executive representatives who work with the community directly, like secretaries of the local municipal office (mesna zajednica)) or a private citizen, however they would need to be a true representative of the PAPs and the local community, chosen in consultation and agreement with the community.

4.1 Grievance Procedure

An updated Grievance procedure has been set up for the Project to strengthen the grievance redress process implemented so far. The procedure is summarised in this chapter, but is also available in the Stakeholder Engagement Plan (SEP) which was also developed for the Project.

The grievance procedure is designed to be effective, easy, understandable and without associated costs to the complainant. Any grievance can be brought to the attention of the CFD personally or by telephone or in writing by filling in the grievance form (by post, fax or personal delivery) to the addresses/numbers given below:

KORIDORI SRBIJE D.O.O.

Kralja Petra 21, 11000 Beograd

Tel: +381 -11- 33-44-174

e-mail: zalbena@koridorisrbije.rs

All grievances will be recorded in the Grievance Log register and assigned with a number, and acknowledged within 3 days. The Grievance Log register will have all necessary elements to disaggregate the grievance by gender of the person logging it as well as by type of grievance. Each grievance will be recorded in the register with the following information:

- description of grievance,
- date of receipt / acknowledgement returned to the complainant,
- description of actions taken (investigation, corrective measures), and
- Date of resolution and closure / provision of feedback to the complainant.

The CFD will make all reasonable efforts to address the complaint within 14 days upon the acknowledgement of grievance. If the grievance/complaint is vague and not clear enough, the CFD is obliged to help and provide counsel and even help in redrafting the submission, in order for the grievance/complaint to become clear, for purposes of an informed decision by the CFD, in the best interests of persons affected by the Project. If the CFD is not able to address the issues raised by immediate corrective action, a long-term corrective action will be identified and communicated to the complainant. The decisions shall give a clear assessment on the grievance/complaint, clear ruling and recommendations for fair remedy and propose measures to modify future conduct that caused the grievance as well as proposed measures to compensate if mitigation measures cannot remedy the harm or injury. The decision shall be in writing and shall be delivered to the person who filed the grievance as well as to any other person or entity to which the recommendation and measures shall apply or is under obligation by Law. The person who filed the grievance can express his/her personal satisfaction to the outcome of the grievance resolution procedure.

If any grievance cannot be addressed or if action is not required, a detailed explanation/ justification will be provided to the complainant on why the issue was not addressed. The response will also contain an explanation on how the person / organization that raised the complaint can proceed with the grievance in case the outcome is not satisfactory.

At all times, complainants may seek other legal remedies in accordance with the legal framework of Republic of Serbia at any time.

The CFD will publish one intermediate report on the number and type of grievances received, comments addressed and closed-out, disaggregated by gender and type of grievances/comments every 6 months after establishment and one final report after completion of works. Although formal taking over of works shall be recorded the CFD shall be kept operation during the Defect Notification Period for each contract for construction/rehabilitation works.

During the Construction Phase the Contractor shall, as per requirements of the national law and provisions of the contract for construction works, assign the role of a Grievance officer to complement the existing grievance mechanism. The CFD and the Contractors grievance officer shall liaison closely and publish reports on grievance jointly semi-annually following the procedure and tools, and covering the range of stakeholders as designed in this SEP.

The CFD will be applicable to all Project activities and relevant to all local communities affected by project activities implemented within individual sections.

The CFD shall be responsible for receiving and responding to grievances and comments of the following two groups:

- A person directly affected by the project including the impact due to land acquisition, resettlement and rehabilitation measures,
- Residents interested in and/or affected by the project living in the affected communities.

The CFD shall publish an easy readable GGN at minimum containing the following information: a simple overview on the respective role of the CFD, domain of authority, contact details, flowchart of a grievance, grievance contact information (where and how).

5 Preparation of Individual RAP(s)

5.1 RAP Development

Based on this LARF, considering the extent of the impact in terms of land acquisition and resettlement, site specific RAP(s) will be prepared. The objective of the RAP(s) shall be to specify what procedures to follow and what actions to take to properly acquire land and compensate people affected by each sub-project. The actions from the RAP will allow and provide for adequate participation of the affected people in the displacement process, consultation during all phases and full functioning of the grievance mechanism. Any site specific RAP shall be based on up-to-date and reliable information about (a) the proposed displacement and its impacts on the displaced persons and other adversely affected groups, and (b) the legal issues involved in displacement. In respect of the complexity of project circumstances the site specific RAP shall include at minimum the following:

- Description of the project and identification of the project area,
- Identification of project activities that give rise to displacement,
- Consider alternatives to avoid or minimize displacement and establish meaningful consultations with affected people with regards to acceptable alternatives,
- Establish mechanisms to minimize displacement adverse effects on persons and communities, to the extent possible, during project implementation,
- Provide a comprehensive socio-economic baseline assessment including:
 - census survey covering current occupants of the affected area to establish a basis for the design of the resettlement program and to exclude subsequent inflows of people from eligibility for compensation and displacement assistance,
 - the magnitude of the expected total or partial loss of assets, and the extent of displacement, physical or economic, information on vulnerable groups or persons, legal framework,
 - standard characteristics of physically displaced households, including a description of production systems, labour, and household organization;
 - baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population.
- Establish a database of PAPs with information on all affected people and property (including contact details)
- References to the gaps in the legal framework as noted in this LARF, as well as to any changes in the legislation which came into force after the LARF is published that cover eminent domain and resettlement; note the gaps between the changed legislation and PR 5 requirements, and the mechanisms to bridge those gaps,

- Establish an institutional framework, institutional responsibility for implementation, eligibility, valuation of and compensation for losses and the methodology to be used in valuing losses,
- Establish grievance procedures, implementation arrangements, monitoring, evaluation and cost and budget.

5.2 Objectives of the RAP

The objectives of the RAP are:

- To minimize possible adverse impacts of displacement on population and property,
- To mitigate adverse social and economic impacts of expropriation and temporary or permanent losses by providing compensation for losses of property on the basis of replacement costs and ensure implementation of the activities of displacement with appropriate data disclosure, consultations and participation of PAPs;
- Re-establish or even improve sources of income and living standards of resettled persons to the level before Project impact,
- To establish organizational systems and procedures for monitoring the realization of resettlement plan and to take corrective measures.

Within the RAP it is also necessary to carry out a socio-economic baseline assessment and census of the affected communities in order to identify the following:

- Current beneficiaries of the area in the scope of the Project, in order to establish baseline for creating the displacement program and to avoid opportunistic claims,
- Standard characteristics of households, including description of production system, work and organization of household, with the basic information about livelihood (including, if relevant, level of production and income obtained from formal and informal economic activities) and standard of living (including health conditions),
- Range of expected loss of property (total or partial) and range of displacement, whether physical or economic,
- Information on vulnerable groups, particularly those below the poverty line, old and infirm persons, women and children, ethnic groups and other resettled persons not protected by the Law of Expropriation, and for whom special measures must be taken,
- Measures for regular update of information on persons included in the census along with their livelihood and living standards, so that at the right moment, i.e. when the displacement begins, the latest information are available. If updated information differ significantly from the original ones, measures will be defined how to record these changes and to update the displacement program, in the way which is in accordance with the originally approved program.

5.3 RAP Approval

Activities on the preparation of site-specific RAPs will be disclosed in the way to enable significant participation of PAPs. That assumes the phase of preliminary preparation, disclosure of information for population census, disclosure of census results while respecting the privacy of personal information, disclosure of socio-economic baseline assessment, as well as disclosure of draft RAPs. The purpose of public disclosure and discussions is to ensure meaningful participation of PAPs in the process of preparation, implementation and monitoring of resettlement instruments.

The first draft of RAP shall be submitted to the EBRD for review and confirmation. After it has been confirmed, it will be disclosed (version in Serbian language) by the Project Promoter in local newspapers in the community(s) affected by the Project and on the internet portal of the Project Promoter, followed by public consultations with local communities and stakeholders. Project Promoter shall also issue summarized information contained in the RAP for public disclosure to ensure that affected people understand the compensation procedures and know what to expect at various stages of the project (for example, when an offer will be made to them, how long they will have to respond, grievance procedures, legal procedures to be followed if negotiations fail). Public consultation outcome shall be documented and reported with the final document of the RAP and sent to EBRD for "no objection". Upon receiving the "no objection", final RAP will be again published in local newspapers in the community(s) affected by the Project and on the internet portal of the Project Promoter, and made available throughout the Project, RAP implementation and process of displacement.

5.4 RAP Implementation

No activities on construction works can commence until and unless compensation has been paid, or subject to decision by the MoF appropriate budget deposited on an escrow account or similar, or replacement property administered to PAPs, or court procedure initiated to determine the compensation in case no amicable settlement is reached.

Implementation of RAPs is an obligation of the Project Promoter. The Project Promoter shall monitor overall implementation, collaborate with the municipalities where construction works and construction related activities are taking place, collaborate with contractors and disclose information to PAPs and communities.

6 Consultation and Disclosure

6.1 Public Consultation

The Project Promoter will establish an ongoing relationship with the affected communities from as early as possible in the project planning process and will maintain it throughout the life of the Project. The engagement process will ensure their meaningful consultation in order to facilitate a common understanding of the nature and duration of the impacts; informed participation on matters that affect them directly; proposed mitigation measures; sharing of development benefits and opportunities; and implementation issues.

Documents shall be disclosed and available for public insight no later than 14 days prior to public consultations and sufficient time shall be left for submitting remarks after public consultations. All public consultations shall be announced through local newspaper and media and on the internet portal of the Project Promoter. Additional activities are also recommended, depending on the scope of the project:

- Public meetings with advisory groups, relevant stakeholders, relevant international or local institutions, local municipalities etc., are recommended occasionally during Project planning and implementation. Such consultations can be helpful if a problem is encountered during project design or implementation, as advice and remarks given at such consultations can lead to reaching mutually acceptable solutions.
- Meetings with local communities with an aim to include all comments and concerns of PAPs (individuals, households, business subjects) in the earliest stages of the Project.
- Individual meetings with PAPs regarding specific cases. These meetings can also be organized when needed upon request by PAPs.

6.2 Disclosure of Documents

All documents identified for public disclosure will be prepared and published in Serbian and English language.

Documents must be available to the public throughout the duration of the Project including its evaluation. Serbian language versions will be published on the website of the Project Promoter and of the relevant local municipalities. All announcements in the local newspapers and media will be made in Serbian in non-technical vocabulary. All documents shall be presented to PAPs in the process of expropriation, particularly to vulnerable groups. Project impacts to their property and their rights must be explained, as mentioned in previous chapters. Hard copies of the documentation shall be available in the affected municipalities. Project Promoter is responsible for all disclosures of the documents.

7 Monitoring and Evaluation

7.1 Institutional Monitoring

Efficient expropriation and resettlement depends on dedication and capacities of all institutions responsible for preparation and implementation of the process of displacement. The Project Promoter will appoint a person responsible for resettlement and preparation of the expropriation and resettlement process, to coordinate the activities of expropriation between the government agencies, municipalities and ministries.

The Project Promoter will also keep a database of resettlement and expropriation with all information about the affected persons and property (including contact information), which would include all cases of expropriation and the stage of completion in the process of expropriation for each case (expropriation proposition submitted and/or signed, compensation offers prepared and/or delivered to PAPs, agreements regarding the compensation, compensation payment, payment of assistance during relocation, grievances or initiated court procedures, etc.).

Some institutions have additional obligations in monitoring of the resettlement process, particularly the Project Promoter and the Local Municipalities (LM):

Table 3 Monitoring Responsibilities

| Task | Responsibility |
|--|---|
| Disclosure of the LARF | Project Promoter |
| Public notification about the start of expropriation and associated actions during all phases of expropriation | Project Promoter and LM |
| Communication and consultation with PAPs | Project Promoter and LM |
| Activities prior to commencement of works | Project Promoter and LM |
| Providing assistance during resettlement | Project Promoter and LM |
| Compensation payment, /Payment of additional assistance for bridging the gaps (national vs. EBRD standards) | BoE |
| Grievances management | Project Promoter |
| Monitoring and reporting on expropriation and resettlement | Project Promoter / External consultant |
| Monitoring and reporting during construction works | Contractor and Project Promoter / External consultant |

7.2 Monitoring of Resettlement Process

The Project Promoter will conduct internal periodical monitoring to ensure that efficiency of the expropriation process and level of satisfaction of PAPs could be assessed. The frequency of the monitoring will be adjusted to reflect the external reporting required by the financing institutions and the stage of the expropriation process.

The key performance indicators to be collected through the monitoring process to access the land acquisition and resettlement process, are as follows:

- Number of public discussions and consultations scheduled and held on the RAP;
- Number of completed expropriation studies;
- Percentage of purchased land in relation to needed land acquired for the purposes of the Project, including total expropriated land area, and land area per person;
- Number of completed compensation payments;
- Number of replacement properties given and houses provided;
- Number of PAPs affected by exercising its right of ownership on buildings and land;
- Number and amount of payment for loss of income;
- Number and type of assistances provided to vulnerable groups; and
- Number and type of grievances, including legal actions arising from expropriation (submitted cases, resolved cases, time needed for their resolution).

Additionally, the outcome of measures implemented to demonstrate effective restoration of livelihoods shall be tracked against the data from the socio-economic census. Particular effort should be made to determine whether vulnerable PSPs had been able to effectively restore their livelihoods. The outcome indicators to monitor livelihood restoration are listed below:

- Number and % of person with improved household income;
- Number and % of persons with improved housing conditions;
- Number and % of persons with increased monthly expenditure level;
- Number and % of persons with improved asset ownership;
- Number and % of persons still living below poverty line (applying the same criteria as was used to determine vulnerability).

The Project Promoter shall monitor the implementation of the resettlement process both through internal, official institutional arrangements, as well as periodically by an independent external consultant, to be appointed by the Project Promoter. The external monitoring and evaluation consultant will be appointed prior to beginning of resettlement and will have an obligation to report quarterly. Based on the quarterly reports the Project Promoter with the support of the external consultant shall prepare a completion report within two months of resettlement completion to summarize the implementation. The report should verify that all physical inputs committed in the site specific RAPs have been delivered and all services provided. In addition, the report should evaluate whether the mitigation actions prescribed have had the desired effect. The socioeconomic status of the affected population should be measured against the baseline conditions of the population before displacement, as established through

the census and socioeconomic baseline studies. Particular efforts shall be made to validate that the vulnerable groups and persons amongst the affected have been able to effectively restore their livelihoods especially if they had the option to choose the compensation package with the lowest risk.

7.3 Monitoring of temporary land access for construction works

During construction works the Contractor may need to temporary occupy privately owned land. This process is managed by the Contractor, however certain provisions will be introduced in the works and supervision contracts to ensure the temporary lease of land does not negatively affect the land owners.

The Project Promoter will include provisions in the Tender Documents which will subsequently be transferred into the Contract for Construction works setting as mandatory compliance with the provisions of this LARF to the extent applicable. Such arrangements shall be included in the Contract for Consultancy services also.

As a minimum, the Contractor will be obliged to notify the Promoter via the Supervision Consultant of any upcoming need for temporary occupancy of land along with the draft lease agreement with the land owner. The lease agreement will be subject to Promoters prior to No Objection to ensure that the provisions of the contract are in compliance with the principles of this LARF.

The Consultant engaged to supervise the civil works will have the obligation on a monthly basis to monitor the implementation of these contracts (regular payment, restoration of land as per the lease contract once the lease has ended) and report back to the Project Promoter.

8 Institutional Arrangements

8.1 Other Key Institutions Responsible for Project Implementation

This chapter offers a general overview of state institutions, their authority proclaimed by law and their responsibilities during implementation of the Project in general. Many of those institutions are not participants in the legal process of resettlement or expropriation, but given the nature of the Project, can provide information or make decisions influencing displacement.

The list of key state institutions not directly involved in the legal process of expropriation and resettlement, who have a strong national influence in the decision making process includes:

- General assembly with supreme legislative authority, that passes new laws or amendments to existing laws;
- Government of RS (GoRS) with supreme executive power and legislation initiative rights, also issues secondary legislation and bylaws that may be of importance,
- Ministry of Public Administration and Local-Self Government (MoPALSG) that monitors and coordinates work of local self-government.

8.2 Key Institutions in the Process of Land Expropriation and Resettlement

Institutions that may be involved in the land acquisition process, including the legal expropriation process, are presented in the overview below. These institutions have assigned responsibilities and arrangements for implementing the requirements of this LARF and the site specific RAP(s) itself.

Table 4 Key Institution in the Process of Land Expropriation and Resettlement

| Institutions | Key responsibilities during resettlement/expropriation |
|--|--|
| General assembly of RS | Declares public interest by law |
| Government of RS (GoRS) | Declares public interest for expropriation (if not done by law as above) |
| Ministry of Construction, Transport and Infrastructure | Proposes, prepares and coordinates RS spatial plan and regional planning documents Manage the register of spatial plans |
| Koridori Srbije - Corridors of Serbia | As the Project Promoter: <ul style="list-style-type: none"> - applies and coordinates all resettlement activities under this LARF and individual RAP(s) - discloses Cut-off date in public announcement for relevant municipality, as part of expropriation process; - prepares the site specific RAP(s) and other documents; |

| Institutions | Key responsibilities during resettlement/expropriation |
|--|--|
| | <ul style="list-style-type: none"> - Implements the RAP(s); - discloses LARF, and all other documents; holds public consultations in all Project phases - engages relevant stakeholders; - applies resettlement mitigation measures - establishes and administrates CFD - administrates grievances of PAPs and stakeholders - monitors and evaluates process of resettlement - prior review and approvals of negotiated agreements between contractors and land owners impacted by temporary land-occupation - monitors the process of temporary land occupation until the land is given back to their owners in accordance with this LARF - reports to EBRD on all issues under this LARF |
| Roads of Serbia | As BoE manages the process of evaluation of expropriated property and pays compensation for the expropriated assets and if needed, additional compensation to bridge the gap with PR 5 |
| Ministry of Finance (MoF) | Borrower |
| Tax administration offices (decentralized to municipality units, but under the MoF) | Provides assessment (valuation) of market value of agricultural or construction land |
| Accredited experts | Valuation for all types of structures, and any attachments to the land |
| Local-Self Governments, including their administration | Local municipalities govern and steers the expropriation process (Department of property affairs) |
| Ministry of Agriculture and Environmental Protection | Provides information about available replacement land |
| Republic Geodetic Authority, State Cadastre of immovable property, decentralized units | <p>Provides official information on all immovable, including land, structures, houses, etc.</p> <p>Provides official legal information on owners of immovable properties</p> <p>Provides information on possessors of immovable property</p> <p>Includes annotation of expropriation process</p> <p>Executes legal title changes of immovable property owners after land acquisition, expropriation etc.</p> |
| Relevant municipal courts | Determines compensation if amicable agreement has not been reached |