

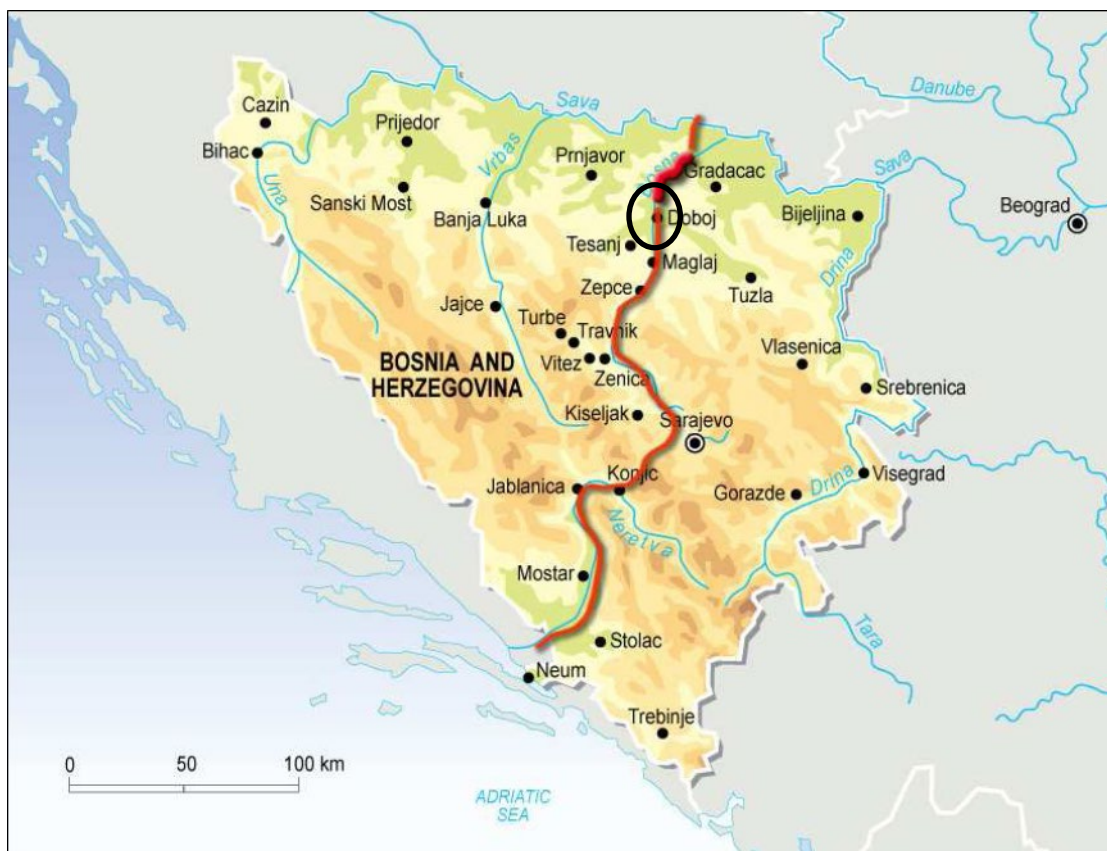


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LAND ACQUISITION & RESETTLEMENT FRAMEWORK (LARF)

CORRIDOR VC:

DOBOJ BYPASS IN REPUBLIKA SRPSKA



December 2018

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Abbreviations & Acronyms:

Art.	Article
BiH	Bosnia and Herzegovina
EBRD	European Bank for Reconstruction & Development
E&S	Environment and Social
EUR	Euro
FBiH	Federation of Bosnia and Herzegovina
IFI	International Finance Institution
LARF	Land Acquisition & Resettlement Framework
LARP	Land Acquisition & Resettlement Plan
PAPs	Project Affected Persons
RAGPA	Republic Administration for Geodetic and Property Affairs
RS	Republika Srpska
RSM	Republika Srpska Motorways
SA	State Attorney

1 Introduction

1.1 Introduction

The public company Republika Srpska Motorways (RSM) intends to implement the construction of the 5.3 km-long section of Corridor Vc motorway between Rudanka and Putnikovo Brdo (inter-entity border) (the “Project”). RSM is established as a joint stock company wholly owned by the RS Government.

The Corridor Vc motorway is considered as a priority project for Bosnia and Herzegovina (BiH) and Republic of Srpska (RS), considered likely to entail major positive economic impacts for the country as a whole. The driving force behind the construction of the Corridor Vc motorway is to improve connectivity of BiH with its neighbouring countries and to enhance its potential for economic development. The Trans-European Corridor Vc motorway will connect Budapest (Hungary) and Port of Ploče (Croatia). Around 100 km of motorway has already been constructed in BiH and is operating.

The European Bank for Reconstruction and Development (the “EBRD” or the “Bank”) is considering providing finance of a sovereign-guaranteed loan of up to EUR 230.0 million to Bosnia and Herzegovina, to be on-lent to Republika Srpska Motorways (the “RSM”) and Motorways of the Federation of Bosnia and Herzegovina Public Company (JPAC). The loan will be guaranteed by the Government of Bosnia and Herzegovina (BiH) with back-to-back guarantees from Republika Srpska (RS) and Federation of Bosnia and Herzegovina (FBiH), the two entities comprising BiH. The EBRD loan will be used to finance the construction of an overall 13.8 km motorway section between Rudanka interchange (located in RS municipality Doboj) and Medakovo interchange (located in FBiH municipality Doboj Jug). This report relates to the 5.3km sub-section from Rudanka – Putnikovo Brdo in RS.

As the Project involves economic displacement and some limited physical displacement, this **Land Acquisition & Resettlement Framework (LARF)** document has been prepared by the Company. This LARF presents the displacement impacts associated with the Project, based on site visits and the data available. This LARF sets out the compensation and resettlement principles and responsibilities to ensure no one affected by the Project’s implementation is disadvantaged compared to current conditions. The LARF includes a grievance mechanism for people affected by land acquisition to raise their concerns. When further surveys and work to detail and assess the land acquisition impacts and compensation proposals are complete, a more detailed Land Acquisition & Resettlement Plan (LARP) shall be developed for each section of this Project (*see Section 1.2 below*).

This document has been developed in accordance with the RS legal framework and in compliance with EBRD’s Environmental & Social Policy 2014 (ESP 2014), specifically Performance Requirement 5 (PR5) – Land Acquisition, Involuntary Resettlement & Economic Displacement.

1.2 Scope of the Land Acquisition & Resettlement Framework (LARF)

The Expropriation Elaborate for the Project has been prepared, however, Public Interest is yet to be announced for the Project therefore no other steps in the land acquisition process have taken place. Future steps will be guided by this LARF, which has been developed to meet the RS legal framework and EBRD requirements.

The Expropriation Elaborate, prepared by RSM based on the cadastre, covers a road section approximately twice the length of the Project (i.e. it includes Lot 3 Johovac – Doboj South in its entirety, which is 12.61 km in total). Therefore summary tables from the Elaborate cannot be used without further definition of which portion of the expropriation applies to just the EBRD section of the road. An overall total has been calculated by RSM for the surface area of land to be acquired and estimated value of land, trees and buildings, with further work being required to provide more detail to this data and verify it on site.

The Project will require the acquisition of land, some of which would involve economic displacement. It appears that there will be very limited cases where physical displacement of ‘residential’ structures will occur. The number of both residential and non-residential structures (and other assets) which could be affected will be confirmed during the further land acquisition planning and field surveys. Current estimates for the Project are based on information registered in the cadastre and collated in the Expropriation Elaborate.

The Project land acquisition processes are not progressed enough to develop a Land Acquisition & Resettlement Plan (LARP). A LARP needs to be prepared ahead of actual implementation of the resettlement and construction activities for the Project. Annex B of this LARF contains the information which needs to be covered in the plan and Section 10 provides a detailed breakdown of how this will be done for the Project. This LARF has been prepared to ensure when the survey, valuations and final definition of required compensation payments are completed, a LARP can be prepared for the Project by updating the relevant sections of this LARF and addition of a detailed section on the Socio-Economic Baseline and on Compensation & Resettlement. Section 10 contains a summary of actions RSM plan to undertake to prepare the LARP.

A LARF differs to a LARP because it sets out the Project’s planned approach to land acquisition and resettlement, rather than providing the full details of actual land ownership and use and the nature of the displacement impacts, which will be

provided in the LARP. Socio-economic surveys and further land & asset inventory surveys (i.e. the RAGPA field surveys) will be undertaken during the next phase of Project development to understand more fully the scale and magnitude of the economic and physical displacement and these impacts on the Project Affected Persons. These surveys along with the Expropriation Elaborate will be used to inform the LARP.

2 The Project & Land Use Context

2.1 Summary of Project Description

The Project is part of the Trans-European Corridor Vc through BiH. The Trans-European Corridor Vc is BiH's main north-south transport route. It connects Budapest (Hungary) to the Adriatic port of Ploče (Croatia). Within BiH, Corridor Vc's total length is approximately 335 km. The Project is located in the northern part of the country and is part of the planned 46.6 km section through the administrative entity of Republika Srpska. The Project is significant for connection of the western and eastern areas of RS to the Corridor Vc and further to the Corridor X in Croatia. It will increase traffic capacity and reduce the traffic volumes on the existing regional road network.

Planning of a motorway through BiH as part of the Trans-European road corridors network started in the late 1970s. The Corridor route was defined in 1981 and after public consultations was formally approved as part of the Spatial Plan of BiH in 1982. The first major steps were taken in 2004 when the Council of Ministers of BiH decided to start the corridor development which was followed by the Feasibility Study and the Preliminary Design in 2006. The Spatial Plans of Republika Srpska (2008-2015 and 2015-2025) have considered the Corridor Vc through RS as an essential road transport link with significant economic benefits for the entity.

The Project is situated in the north-east part of BiH, about 100 km east of the town of Banja Luka and just west of the town of Doboj. It is a rural area with several scattered small villages, interconnected by local paved roads.

The Project starts at the beginning of Rudanka bridge (326 m long), crossing the River Bosna and forming an overpass of the existing M-17 road. The Project then continues through a cutting prior to entering the first of two dual tube tunnels - Putnikovo Brdo 1 (1,595 m long). Upon the exit from the first tunnel, the proposed road forms an overpass Prisade (94 m long) and a viaduct (288 m long), before entering the second tunnel Putnikovo Brdo 2 (700 m long). The Project ends at the inter-entity border with FBiH, within the Putnikovo Brdo 2 tunnel. The total tunnel length is 700 m, and the length in RS is 580 m. The design has considered the plan for local access with the provision of overpasses for local roads and access routes.

The road will have a design speed of 120 km/h and be about 25.40 m wide.

The layout of the Project is shown in **Figure 2-1** below (Red and yellow/orange indicate the area of the above ground permanent Project infrastructure and the blue line represents the tunnel sections).

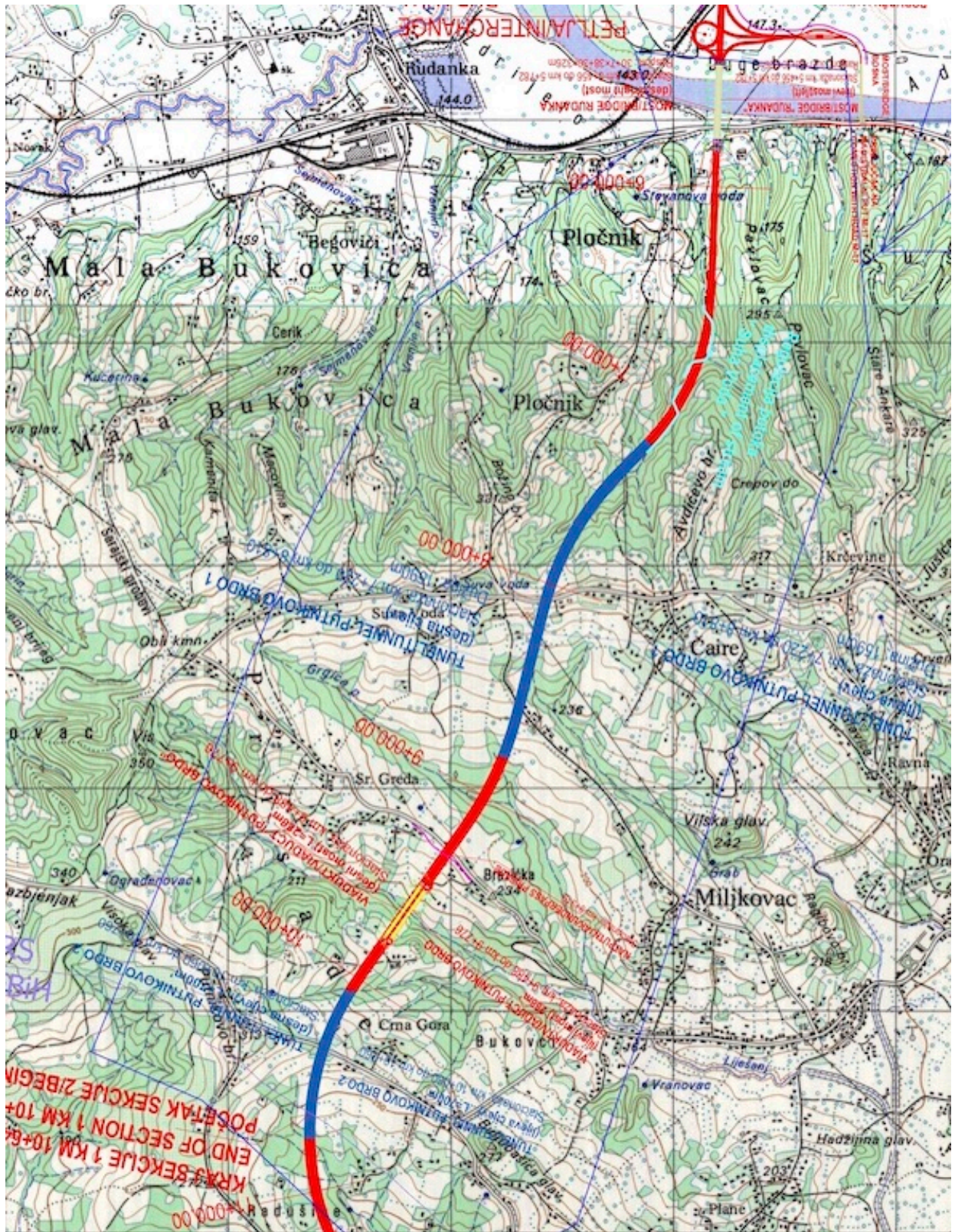
One of the key aims of the Project is to deliver improvements in road safety. The creation of the new motorway will remove the heavy through traffic from passing through local villages and built up areas, which will help reduce community and road safety risks and congestion in these areas. A Road Safety Audit will be undertaken on the current design to consider the need for additional safety measures.

RSM currently intends to commence construction for the Project in the last quarter of 2019, with construction completed by the end of 2022. Between 500-1000 workers are predicted to be employed for construction on the Project at the peak.

Status of the Project Land Acquisition

The Project requires the acquisition of land and assets resulting in economic displacement, with very limited physical displacement, including some potential effects on local access. Public Interest had not been announced for the Project at the time of writing but is anticipated by RSM. No land or asset surveys have been undertaken and no land or assets have been acquired / expropriated to date.

Figure 2-1 Layout of Project



2.2 Project Area & Land Use Context

The Project lies in a hilly upland area above a wide alluvial plain formed by meandering of the Bosna River. The upland is predominantly covered by deciduous forestlands, pasturelands, and to the minor extent agricultural lands. It is a rural area with several scattered small villages, interconnected by local paved roads.

The topography of the area is dominated by the steep hilly upland reaching an elevation of 300 m a.s.l, in the area of the tunnel Putnikovo Brdo 1. Ground at the northern stretch of the scheme (the bridge across the Bosna River) lies at an elevation of about 135m a.s.l, while the southern stretch (the inter-entity border) lies at about 240 m a.s.l.

The land along the major part of the scheme is undeveloped, covered by dense deciduous woodland which will be passed by tunnels. Some of the Project area which will be crossed by a viaduct and an overpass is made up of smallholding plots. The Bosna River bank is used for sand and gravel extraction facilities.

The Project area is not known for protected cultural heritage, with the closest recorded cultural heritage sites not being situated in the Project area.

Local Communities with the Project Area

The Project footprint runs through or near to the villages of Kostajnica, Pločnik, Prisade, Čajre, Miljkovac and Makljenovac. The settlements are predominantly linear, concentrated along the local village roads. The affected settlements along the route are summarised in the **Table 2-1** below with key characteristics of these communities summarised in **Table 2-2**.

All settlements in the Project area belong to the **City of Doboj**, which is the regional centre with key road and rail transport connections. The majority of the Doboj area land use is rural (70 %) comprising cultivated agricultural lands and forestry. The city is split into 75 community level settlements with their own elected local community councils.

Table 2-1 Summary of Settlements within the Immediate Area of the Project

Name of Village	Population	No. of households
Kostajnica	1,596	561
Pločnik	261	106
Prisade	19	11
Čajre	289	98
Miljkovac	838	322
Makljenovac	1,165	414
Total	4,168	1512

Table 2-2 Key Characteristics of Local Settlements along the Project Corridor

Population & Gender Characteristics.	The population in the affected communities is evenly split between men (49.9%) and women (50.1%). The middle-aged population (35-55) is the most numerous (28%) and the population older than 55 years is more numerous than young population (0 - 25) with 32% compared to 26%.
Community Health.	Life expectancy in the area is around 76 for females and 70 for males. The key health issues in the community which contribute to mortality are: cardiovascular disease, cancer, gland disease, respiratory diseases and gastro intestinal disease. Nearly half of deaths in 2016 were reportedly due to cardiovascular diseases.
Ethnicity & Religion.	The area was strongly affected by migration during the BiH war between 1992-1995, and the negative population growth continues. The ethnic majorities in the city of Doboj are Serbian (74.4%) and Bosnian (21.04%). The largest minority is Croatian (2.26%). Roma population is about 0.21% and the remaining 2.09% are other minorities.
Education.	Education levels of adults (i.e. > 15 years old) show around half of the population being educated to only secondary education level, and an additional 12 % being college or university educated. Just over 5% of the over 15 years old population has received no formal education with another 10% having an incomplete primary education. Just under a quarter of the adult population (i.e. >15 years old) have only completed primary level education.
Livelihoods.	<p>The Project area is characterised by small-scale farming, with majority of cultivated plots in the range 0.5 to 1 ha and vegetable gardens up to 0.5 ha. Farming techniques are undeveloped resulting in low to moderate crop yields, with crops often used only for own purposes and cattle feeding. Livestock is limited with small average number of cattle per farm. Beekeeping is moderately developed and organised in cooperatives.</p> <p>The proposed route runs predominantly below ground and to the minor extent through agricultural cultivated land. Agriculture is a key livelihood of the local rural communities with more industrial and services sector livelihood being present within the urban area of Doboj. The residential small holdings usually comprise a plot of land with a house, a few outbuildings (e.g. for livestock etc.) and an area for growing produce, such as vegetables (potato, tomato, paprika and cabbage) and fruit (plum, pear and apple). Livestock includes cattle, pigs, sheep and poultry.</p>

	Statistics available on average salaries generally do not cover those involved in small-scale farming. The average net monthly income in 2016 in the City of Doboj was 838 BAM (429 EUR) which is equivalent to the average national Republika Srpska income. It is assumed that the average monthly net income for the Project affected communities who are small-scale farmers is probably lower than the average monthly net income statistics available for the City of Doboj.
Community Infrastructure.	Government service, community facilities, such as schools and healthcare services are primarily available in Doboj. Water supply in villages is provided from local groundwater wells (drilled and dug). No sewer system is present in the area so the wastewater in villages is discharged either to private septic tanks or directly to local streams. The area is covered with electrical power infrastructure and telecommunications network. The primary form of transport is car.

2.3 Status of Land Acquisition Process at LARF stage

RSM has prepared the Expropriation Elaborate for *Lot 3: Johovac-Doboj* which includes the 5.3 km stretch of the Project within a total length of Lot 3 of 12.61 km. This Expropriation Elaborate is based on data available only in the cadastre and for which title deeds are registered which identifies the affected land plots and contains an estimated cost for compensation for affected land and assets. The State Attorney and the Republic Administration for Geodetic and Property Affairs (RAGPA) in Doboj are the authorities in charge of the Expropriation (*see Section 4.2*). The RAGPA undertakes the actual land and asset field surveys to confirm land and assets affected and identify affected persons. These surveys may identify changes land uses, parcels and assets (including structures) which are not registered in the cadastre.

Whilst an Expropriation Elaborate has been prepared for the Project the land acquisition process is at a very early stage. Public Interest had not been announced for the Project at the time of writing (December 2018) but is anticipated by RSM.

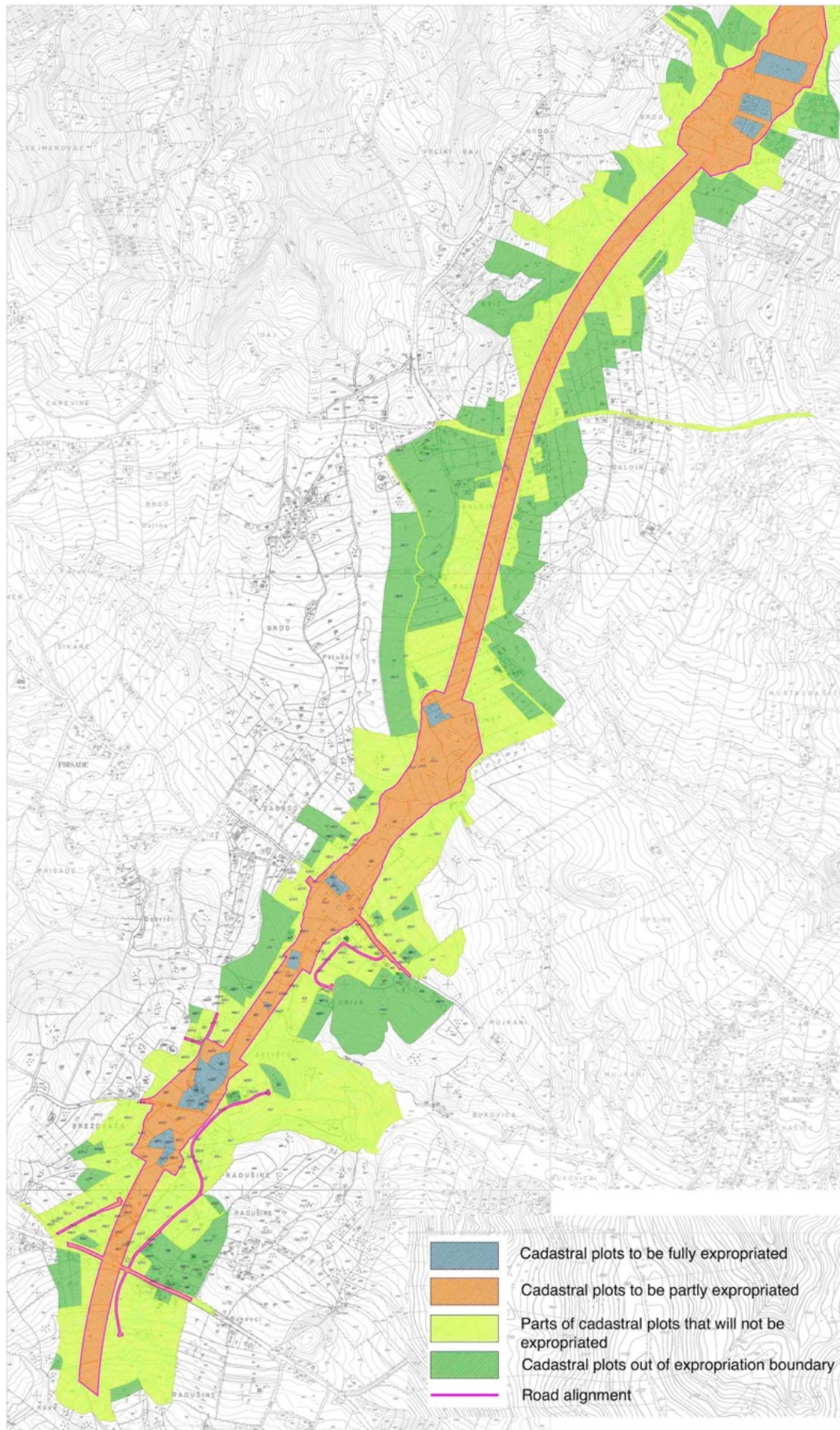
3 Summary of Affected Land, Assets and Persons

Permanent Land Take: An estimated 455,855,31 m² of land take is required for the Project. The Project requires the permanent acquisition of land for an approximately 25 m wide road corridor plus land for the cut area, the footprint of the overpasses and viaduct and some local access roads. Only sub-surface access rights are required for the tunnels, no surface land acquisition. This section summarises the currently available information on affected land, assets and persons. This information will be updated in the Project LARP following the completion of the detailed land and asset inventory field surveys.

Temporary Land Take: The Project will also require some temporary land take for haulage/construction routes, construction laydown areas and camps, temporary storage of excavated materials/soil, cut trees etc. However, information and details regarding temporary land take were not known at the time of developing the LARF and further information will be included in the LARP. Agreements for additional temporary land required by the Contractor will be agreed through negotiation and amicable agreement by land owners.

Figure 3-1 and Figure 3-2 indicate the land take for the Project, including the expropriation boundary and land plots.

Figure 3-2 Landtake for the Project – Tunnel Putnikovo Brdo 1 to Southern End of Section



The Project will result in the following land acquisition impacts:

Table 3-1 Summary of Physical & Economic Displacement Impacts from Land Acquisition

Phase/Type of Loss		Summary of Losses/Impacts
PRE-CONSTRUCTION - Prior to Construction¹		
Permanent Land Take		<ul style="list-style-type: none"> • Loss of land (predominantly covered by deciduous forestlands, pasturelands, and to the minor extent agricultural lands and construction land) - This includes residential small holdings with garden plots. Areas of trees will be affected by the land acquisition along with some meadows and pasture. There are river crossings so some land on river banks will be crossed by the Project road. • Loss of annual/perennial crops and trees – Where possible, RSM will allow farmers to harvest crops, and where crops are lost, compensation will be provided. This includes vegetable gardens that may be affected in the settlements. • Loss of Residential Structures (physical displacement): Very limited numbers of residential structures are likely to be affected by the Project and result in physical displacement. • Loss of Non-Residential Structures (e.g. sheds, barns, fences, etc.) – limited non-residential/auxiliary structures are likely to be affected. These are sometimes called auxiliary structures in RS documentation and in the area probably relate to assets such as fencing, sheds etc. • Loss of Business Structures: very limited commercial or business related structures may be permanently affected and where they are these are focused at the northern end of the section. Overall very limited commercial or business related structures are likely to be affected with the main impacts on businesses being access during construction. • Loss of sources of income and/or livelihoods associated with any of the above losses: Households in the local villages are largely dependent on land-based livelihood activities which could be affected by loss of land or access to land they use – these impacts will be further confirmed during the future land acquisition process and detailed in the LARP), including any informal use of land, for example, the forested land within the Project footprint. • Orphan Land: (i.e. part of an affected land plot which remains after expropriation and for which the owner has no more economic interest in using and/or is an economically unviable plot). Orphan land is often a small part of land that remains after expropriation of land which is split by the construction of the road into two or more economically unviable plots etc. During the future land acquisition planning and engagement process, the potential occurrence of orphan plots will be confirmed. (Under the RS legal framework, affected owners can request where the orphaned land is uneconomic to use etc. that their whole plot is expropriated – see Section 4.1).
DURING CONSTRUCTION:		
Temporary Effects:		<ul style="list-style-type: none"> • Temporary loss of land (predominantly covered by deciduous forestlands, pasturelands, and to the minor extent agricultural lands and construction land) - required during the construction period. • Loss/damage to annual/perennial crops and trees (e.g. apple, plum, and pear trees). • Damage/temporary disruptions to certain agricultural infrastructure. • Temporary loss of and/or more difficult access to land for farming or other livelihood related land uses and disturbance to agricultural vehicles/livestock etc. existing routes to land. • Temporary loss of and/or more difficult access to commercial facilities or for businesses: few business along the Project route are likely to have impacts on access during the construction period but the potential exists. • Loss of sources of income and/or livelihoods associated with any of the above losses.
DURING OPERATION:		
Permanent Access Effects		<ul style="list-style-type: none"> • Loss of and/or more difficult access to land, commercial facilities and/or the road network. – No permanent effect on access are allowed under the road design regulatory framework in RS, therefore impacts on access should only be temporary during construction.

¹ As payment of compensation for losses and resettlement has to occur prior to access to land being taken, the effect of permanent loss of land and assets generally occurs in the Pre-Construction phase.

Estimated Costs of Expropriation

The costs of expropriation will be based on the total area of cultivated and construction land, the estimated number of affected buildings and their condition, the total number of trees and market value of affected assets. Article 11 of the Law on Expropriation allows for owners whose assets and land are partially acquired, to request expropriation of all the remaining land and assets where the partial expropriation would negatively affect the economic situation of the actual property owner or make the remaining part of the property useless or difficult to use. Therefore, it is reasonable to assume a 20% increase on these initially estimated expropriation costs. Also, under EBRD requirements, replacement value for affected land and assets needs to be used, which means all transaction and legal costs should be accounted for in the compensation, and depreciation should not be included for the condition of the asset.

The method of valuation and estimated costs for expropriation will be included in the LARP in line with requirements contained in the Entitlements Matrix (Section 6) to meet EBRD requirements and the findings of the surveys (*i.e. unregistered structures/assets will not be accounted for in the current expropriation estimate in the Expropriation Elaborate, even though EBRD's policy requires them to be compensated for*).

4 Legal & Policy Framework for Land Acquisition & Resettlement

Land acquisition and resettlement for the Project will follow the national legislative requirements in RS, as well as applicable EBRD requirements. These are summarised below:

4.1 Applicable Republika Srpska Legal Framework for Land Acquisition & Resettlement

The Constitution of Republika Srpska states that limitation or acquisition of ownership rights is possible only on the basis of the law and for fair compensation. The key legal instrument governing expropriation in RS is the *Law on Expropriation of RS*². This law regulates the conditions and procedure for expropriation of property for construction of facilities in the Public Interest, compensation eligibility and amounts, handling of grievances and disputes and other issues pertaining to the expropriation process.

The table below summarises the key aspects of the RS Law on Expropriation of relevance to the land acquisition and resettlement for the Project:

Table 4-1 Summary of Key Aspects of the Republika Srpska Law on Expropriation

Key Aspects:	Summary:
Public interest and purpose of expropriation.	Property can only be expropriated upon the establishment of Public Interest for projects that bring greater benefit for the public (Art. 5 and 6). Expropriation may be carried out for the needs of RS or Municipalities unless otherwise provided by the Law.
Expropriation process.	A condition to start expropriation is the existence of evidence that the required funds have been secured and deposited with the bank in the assessed total sum for payment or proof of existence of replacement properties (Art. 25). The procedure for expropriation starts with a proposal for expropriation , submitted by the Expropriation Beneficiary to the relevant authority for property affairs ("the Expropriation Authority"), (Art. 23). The proposal contains data on the property for which expropriation is proposed, the owners of such property and the purpose for which expropriation is proposed (Art. 24). Negotiated settlements are explicitly encouraged by the Law (Art. 27). The Expropriation Beneficiary is required to publish a public announcement to invite the property owners and try to reach a prior amicable sale-purchase agreement with the affected owner. The signed agreement on compensation has to include the timing and rate at which cash compensation will be paid or in kind compensation provided (Art. 27). If no agreement on compensation is reached within 2 months of the validity of the Decision on Expropriation (or less if the Municipal Administration decides as such), the Expropriation Authority submits the valid Decision together with other relevant documents to the competent Court, at the territory of which the expropriated real property is located, for the purpose of determining the compensation (Art. 70). The competent court ex officio decides in non-contentious proceedings on the amount of compensation for the expropriated real property.

² Official Gazette of RS, No. 112/06, 37/07, 66/08, 110/08, 106/10, 121/10, 2/15, 79/15

Process of identifying owners/ users.	<p>After the submission of the expropriation proposal by the Expropriation Beneficiary to the Expropriation Authority, the authority appoints a committee for conducting the expropriation procedure. The committee is responsible for resolving the so-called “preliminary issue”, i.e. the issue of ownership, prior to issuing the decision on expropriation, which is the result of out-dated information in land registry books (the person registered in the land registry is different from the actual owner/user who may be the heir, the person who purchased the property but failed to report such transfer, etc.). The committee organizes a site investigation in the presence of the expropriation beneficiary, official court valuers of property and the identified property owner and user, and informs the participants that public interest has been declared for the project and that an expropriation proposal has been submitted. A written record of the site investigation is prepared. The committee also invites the identified owners and users, organises a meeting in the municipality and issues a decision on the resolution of the preliminary issue (i.e. identifies the actual and current owner or user to whom the compensation will be provided). As the last step, the committee issues a decision on expropriation on the basis of the mentioned record and the documentation submitted together with the expropriation proposal. Affected people are entitled to lodge a complaint against this decision with the Republic Administration for Geodetic and Property Affairs (RAGPA) (i.e. the <i>Expropriation Authority</i> – see Section 4.2).</p>
Information and consultation requirements.	<p>Prior to the submission of the expropriation proposal, the Expropriation Beneficiary is required to publish a public announcement and invite all property owners for purposes of attempting a negotiated settlement (Art. 27). Affected owners are informed throughout the expropriation process, i.e. that a proposal for expropriation has been submitted (Art. 26). Before the decision on expropriation is passed, the Expropriation Authority has to invite the affected persons with formal legal rights to a meeting to present any facts which may be relevant for expropriation (Art. 28).</p>
Types of expropriation.	<p>Expropriation can be temporary (incomplete) or permanent (complete).</p> <p><i>Complete expropriation</i> allows the expropriation beneficiary to obtain legal title over the expropriated property, while the rights of the previous owner over the real property as well as other rights over that real property cease to exist (Art. 7).</p> <p><i>Incomplete expropriation</i> provides the beneficiary with usufruct rights on the land and structures, as well as the lease of the land for a definite period of time. At the end of the lease, usufruct rights over land are returned to the previous owner (Art. 8).</p> <p>Owners affected by a partial loss of their real properties are entitled to request complete expropriation and the corresponding compensation, in case that partial expropriation would deteriorate the economic situation of the actual property owner or make the remaining part of the property useless or difficult to use (Art. 11), and must be informed of such right by the expropriation authority. The right to request expropriation of the complete property may be submitted until the issuance of the Decision on Expropriation in the first instance, as well as during the appeal procedure if the affected owner was not informed of such right.</p>
Compensation.	<p>Compensation is provided at market value of the affected property (Art. 12), determined on the basis of prices of property in the given area, calculated as the market price which could be achieved for a specific real property, depending on the supply and demand at that particular moment in time (Art. 54).</p> <p>The Law sets out in detail how compensation is determined for buildings, orchards and vineyards, forest land and timber, agricultural, construction and city land. Valuations of properties are performed by Court certified valuers beforehand and serve as a basis for negotiations.</p> <p>Compensation is provided in the form of replacement property (Art. 53), but may be provided in cash if so requested by the affected owner or if suitable replacement property cannot be identified (Art. 54). Property owners are entitled to compensation for any losses of benefits they would otherwise have from that property (Art. 62). Those who have formal legal rights are entitled to compensation for lost profit from the day they lose access to the expropriated property to the day they receive replacement property or cash compensation.</p> <p>Compensation is generally provided to formal owners of property. Owners of illegally built residential facilities are entitled to compensation (in the amount of the construction value of such facility) if the legalisation procedure has been commenced at the moment when the expropriation proposal is submitted.</p> <p>Personal and family circumstances of the owners whose property is pending expropriation, as well as circumstances which may have adverse economic effects, can be taken into account when determining the amount of compensation, which may be increased above the market value (Art. 55). This provision addresses livelihood restoration beyond the sheer compensation of the lost asset by providing flexibility based on a case-by-case assessment of personal circumstances.</p> <p>Compensation costs are borne by the Expropriation Beneficiary (EB) (in this Project by the beneficial user RSM). Compensation arrangements must be settled prior to the formal transfer of ownership of the expropriated property. In exceptional cases involving the construction/reconstruction of public infrastructure facilities, the Government of RS may allow taking possession of property prior to the effectiveness of the decision on expropriation or the payment of compensation, at the request of the EB</p>

	and due to reasons of urgency or prevention of more significant damage (Art. 33). The exception does not apply to residential or commercial structures for which an equivalent replacement has not been provided by the EB. In such event, the EB is required to inform the affected owner of its intention to request the taking possession of property.
Grievance procedure	The Law foresees the rights of affected citizens to appeal at many stages of the expropriation procedure, beginning with administrative and judicial appeals (i.e. against the decision on public interest (Art. 18), the decision on expropriation (Art. 31) and regarding compensation (Art. 70).

Other Related Legislation of RS

Other key RS legislation related to land acquisition and resettlement includes:

Table 4-2 Summary of Other RS Legislation Related to Land Acquisition & Resettlement

Legislation Summary:	
<i>Law on Proprietary Rights of RS</i> ³ :	Regulates the general issues of acquiring, using, disposing of, protecting and terminating ownership rights and other proprietary rights and possession rights, including the issues of restricting such rights, the right of servitude, co-ownership and joint ownership rights, the procedure for acquiring property rights over land and/or structures erected on someone else's land. The Law states that ownership rights and other proprietary rights may only be limited or taken away in public interest and under the conditions defined by the Law in accordance with the principles of international law. A significant provision of the Law is that occupants of property acquire ownership rights upon 10 years of conscientious and legal occupancy, or upon 20 years of conscientious occupancy. In addition, the Law provides that the conscientious builder of a structure on land owned by another person is entitled to acquire such land, if the land owner did not oppose to the construction. The land owner is in this case entitled to request to be compensated for the market value of the land.
<i>Law on Planning and Construction of RS</i> ⁴ :	Allows for the legalisation of informally constructed structures on land in state ownership on which a structure has been built. This Law enables the subsequent issuing of a permit for construction, by the Municipal Council.
<i>Law on Agricultural Land of RS</i> ⁵ :	Contains the basic definitions and principles regarding the management, protection, use, planning, and records related to agricultural land.
<i>Law on Extra-Judicial Proceedings of RS</i> ⁶ :	Prescribes the rules by which courts decide upon personal, family, property-related and other rights and legal interests resolved in extra-judicial proceedings. The courts determine the amount of compensation for expropriated property in extra-judicial proceedings. The petitioners may conclude an agreement about the compensation form and range.
<i>Law on Administrative Procedures of RS</i> ⁷ :	Regulates the procedures applied by administration bodies in deciding upon citizens' rights and obligations within the framework of administrative procedures. Parties are entitled to appeal against decisions adopted in the first instance. Only the Law may prescribe that appeals are not permitted in certain administrative issues, if the protection of rights and legality is ensured in some other way. Gives the possibility to appoint a temporary representative if a party does not have a legal representative or if an action is to be taken against a person whose place of residence is unknown, and who does not have a proxy.
<i>Law on Land Registration of RS</i> ⁸ :	Regulates keeping, maintenance and setting up of land registries, as well as the registration of real estate and proprietary rights in land registries in RS.
<i>Law on Land Survey & Cadastral of Property in RS</i> ⁹ :	Regulates survey of land, buildings and other structures, establishment and maintenance of registry of land, buildings and other structures, records and registration of property. Records of property possessors are kept in the land registry.
<i>Law on Social Protection of RS</i> ¹⁰ :	Regulates social welfare, which in terms of this law is considered an organised activity in RS, aimed at ensuring the social security of its citizens and their families in need. The persons or families in need due to a forced migration (among others ¹¹) are entitled to a temporary, one-off and other financial assistance or natural assistance if they meet two conditions

³ Official Gazette of RS, No. 124/08, 58/09, 95/11

⁴ Official Gazette of RS, No. 40/2013, 106/2015

⁵ Official Gazette of RS, No. 93/06, 86/07, 14/10, 5/12

⁶ Official Gazette of RS, No. 36/09, 91/16

⁷ Official Gazette of RS, No. 13/02, 50/10

⁸ Official Gazette of RS, No. 67/03, 46/04, 109/05, 119/08

⁹ Official Gazette of RS, No. 6/12, 10/16

¹⁰ Official Gazette of RS, No. 37/12, 90/16

¹¹ A person or family in need, which is due to special circumstances require an appropriate form of social welfare, in terms of Article 17, paragraph 2, item 8) of this Law, is a person or family who finds himself in a state of social needs due to a forced migration, repatriation,

(i. They do not have enough income to support themselves; and ii. They do not have family members who are legally obligated to support them, or if they have, that these persons are not able to support them). The right to the assistance shall be exercised by the competent authority of the municipality where the persons and the family are resident.

*Law on Protection of Civilian War Casualties of RS*¹²: Defines the categories of civilian casualties who suffered during the civil war in BiH and regulates the types of social and healthcare assistance.

*Law on Gender Equality of BiH*¹³: Promotes and guarantees the equal treatment of sexes and equality of opportunities for all in both the public and private domain, and prohibits direct and indirect discrimination on grounds of gender.

4.2 Republika Srpska Institutions Responsible for Land Acquisition & Expropriation

The key institutions with responsibilities for land acquisition and expropriation in RS and for the Project are:

- **Republika Srpska (RS)**: is the Expropriation Beneficiary, as the owner of expropriated land.
- **Republika Srpska Motorways (RSM)**: RSM is the beneficial user and responsible for the identification of the land take boundary, preparation of the Expropriation Elaborate from the cadastre, the review of compensations (where requested to do so by the State Attorney, see point below), and payment of compensation. RSM also has an important role to play in stakeholder engagement with PAPs, as defined within this LARF and the Project SEP.
- **RS State Attorney & the Republic Administration for Geodetic and Property Affairs (RAGPA)**: RSM passes the Expropriation Elaborate to the State Attorney and RAGPA who are the main parties for expropriation, with RAGPA acting as the 'Expropriation Authority' and the State Attorney as the legal representative of the Expropriation Beneficiary (i.e. Republic of Srpska for this Project). The RAGPA undertakes the site investigations (including the land and assets field surveys and investigations to identify and confirm affected land, assets and persons) and to collate necessary information on which the valuations are done. Certified Experts are contracted by the State Attorney to undertake the valuations and compensation schedules. The State Attorney will ask the **RSM** (i.e. the beneficial user) their opinion regarding related matters which influence compensation (e.g. orphaned land, the personal and family circumstances of the owners whose property is affected which may amend the compensation offered etc.). The RSM is advised by the State Attorney of the valuations which should be used as the basis of negotiations with affected persons and the amount of compensation payable to affected persons. The State Attorney office conducts the compensation negotiation with the affected persons.
- **Court Certified Experts** (contracted by State Attorney): The State Attorney contracts certified experts to undertake the valuations.
- **Municipalities**: The local Municipalities main role in relation to expropriation is only to facilitate public consultation and engagement with affected persons (owners and users) in the communities in their area.

4.3 EBRD Requirements

The Project has been screened as a Category A project under EBRD's Environmental & Social Policy 2014.

The Project needs to meet the requirements for land acquisition, involuntary resettlement and economic displacement as specified in the EBRD Environmental and Social Policy (2014) and Performance Requirements (PRs). This Land Acquisition & Resettlement Framework (LARF) has been developed, in accordance with EBRD's PR5 (Land Acquisition, Involuntary Displacement & Economic Displacement) of the Policy.

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

- to avoid or, when unavoidable, minimise, involuntary resettlement by exploring alternative project designs;
- measures to mitigate adverse impacts on displaced persons and host communities should be carefully planned and implemented;
- to mitigate adverse social and economic impacts from land acquisition or restrictions on affected persons' use of and access to land by: (i) Providing compensation for loss of assets at replacement cost, prior to taking possession of

natural disaster, the death of one or more family members, return from medical treatment, release from prison or execution of the educational measure (Article 18.)

¹² Official Gazette of RS, No. 24/10

¹³ Official Gazette of BiH, No. 6/12, 10/1616/03, 102/09

acquired assets; and (ii) Ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected;

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

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

4.4 Gaps Analysis between Republika Srpska Legal Framework & EBRD Requirements

The key gaps between the national legislation of the Republika Srpska and EBRD's PR5 relevant for this Project are summarised below. This LARF (including the entitlements matrix and eligibility criteria) contains measures to bridge these gaps:

- No requirement to complete a **socio-economic survey**, to define a **cut-off date for eligibility**, obtain baseline data for **monitoring purposes** or to identify **vulnerable groups** – *The LARF proposes the use of a cut-off date as the date of the public announcement that the Project is in the Public Interest and the official Expropriation process started. Section 5 outlines the households socio-economic surveys RSM will undertake of affected persons which will be used for monitoring, to inform resettlement assistance support provided by RSM and as part of the step to identify vulnerable groups/individuals.*
- **Compensation not fully in line with replacement value** - The law requires that just compensation is provided, which cannot be lower than market value of a property. Depreciation of structures and assets is taken into account during valuations. However, compensation could exceed the assessed market value of properties, if specific personal or family circumstances of the project affected person deem it necessary to ensure that his/her livelihood is protected, especially if expropriation affects agricultural land or business space in which the owner performed a legal business activity – *Replacement value will be used with all transaction costs included in the valuations, in addition depreciation of structures will not be included in the valuations.*
- Those who have **no recognisable legal right or claim to the land they occupy are not entitled to any compensation**, however under the Law on Social Welfare if families who are to be physically displaced fulfil the vulnerability criteria, they have to be otherwise accommodated (social housing). Similarly, those carrying out informal business activities are not entitled to any compensation - *Where informal structures on State owned land (or under the provisions of the Law on Proprietary Rights of RS and Law on Planning and Construction of RS) are identified RSM will support the affected party as far as possible to legalise the structures. The relocation entitlements of both formal and informal occupiers of land and structures are contained within the Entitlement Matrix in Section 6 of this LARF. Occupancy rights as defined under the Law on Proprietary Rights of RS will also be applied.*
- **Provision of livelihood restoration measures**, other than compensation for affected assets and lost profit in the period when the business activity could not be performed, are not required – *The Entitlements Matrix (Section 6) contains Livelihood Restoration measures and support that will be provided by RSM to eligible persons.*
- Whilst the RS Law foresees the rights of affected citizens to appeal at many stages of the expropriation procedure, there is no specific requirement for establishing an **independent grievance mechanism** – *RSM has established a Project Grievance Mechanism and this is summarised in Section 8 of this LARF.*
- There are limited **requirements for public consultations** to be held with all categories of project affected people, prior to expropriation. Once the expropriation process is initiated, only those with formal legal rights are informed and consulted, usually through a one on one negotiation process. However, the Expropriation Authority (RAGPA) is

required to call a public meeting in the municipality for identified owners and users of affected land and assets to resolve issues. – *RSM will support this engagement to ensure both formal and informal users are engaged with.*

- There are **no requirements for development of a specific LARF or LARP**, only a description of land take and affected parcels – *This LARF has been prepared and RSM will update this to provide a more detailed LARP for the Project.*
- There are **no requirements for monitoring the expropriation, resettlement and livelihoods restoration processes** – Section 9 of this LARF sets out the monitoring that RSM will undertake of the Project's land acquisition and resettlement process.

5 Principles, Objectives and Processes

5.1 Objectives

The **objectives** of the Land Acquisition & Resettlement Framework (LARF) will be as follows:

- To avoid or minimise involuntary resettlement, physical and economic displacement.
- To consider feasible alternative project designs to avoid or at least minimise displacement, while balancing environmental, social and financial costs and benefits.
- To mitigate adverse social and economic impacts from land acquisition or restrictions on affected persons' use of and access to land.
- To provide compensation for loss of assets at replacement cost.
- To improve or, at a minimum, restore the livelihoods and standards of living of displaced persons to pre-project levels.

5.2 Principles

The **principles** which underpin the LARF are as follows, and shall be adhered to during Project implementation:

1. Land acquisition will be carried out in compliance with the **applicable legislation in RS** (in particular, the *Law on Expropriation of RS*), the **EBRD Environmental and Social Policy 2014 and its Performance Requirement 5** (*Land Acquisition, Involuntary Resettlement and Economic Displacement*), this document (**LARF**) and good international practice, and any gaps will be addressed accordingly, to achieve this. The Project will enable the consideration of micro realignments in order to avoid land acquisition where possible.
2. **All affected persons (including vulnerable groups and individuals) will be informed and consulted** during Project preparation and implementation to facilitate their early and informed participation in decision-making processes related to resettlement, and ensure that acquisition and compensation activities are implemented. All owners, occupants and users shall be visited and the land acquisition process explained and the specific impacts on their land, so as to give an opportunity for micro re-alignments to be made in order to reduce potential impacts and inconveniences. This shall be carried out in line with the provisions contained within the SEP and allow for targeted consultation with vulnerable and potentially marginalised groups.
3. **A Detailed Land Acquisition and Resettlement Plan (LARP) in compliance with PR 5 will be developed** for a Project that requires the expropriation of land, physical displacement of population, or loss of income due to changes in land use or access to resources. The information and requirements contained within the LARP shall be subject to public disclosure and consultation. The LARP will be based on reliable up-to-date information and will include basic information about the Project, Project impacts, affected people and assets, entitlements for all categories of affected people as well as any legal issues relating to resettlement or any gaps between the domestic law and PR 5. The LARP shall also include a detailed budget and timetable.
4. The **baseline socio-economic survey and census** for the LARP will identify both formal and informal land/property users, including vulnerable persons/households, such as single mothers, widows and widowers, disabled people, or those living in extreme poverty. The socio economic survey will contribute to the census of affected persons, including those who have no recognisable legal right or claim to the land they occupy.
5. The cut-off date for the establishment of eligibility (for both formal and informal land owners/users) is the date of the public announcement that the Project is in the Public Interest (issued in the Official Gazette of RS) and the official procedure for Expropriation started. Persons who have settled in the Project area after the cut-off date will not be

eligible for any compensation. The cut-off-date will be further disclosed and disseminated publicly, including at consultation meetings in the concerned affected communities.

6. **All owners, occupants/tenants and users** of affected structures and land at the time of the cut-off date, whether with or without fully recognised legal rights or claim, **are eligible for compensation and/or assistance, as outlined in the Entitlements Matrix (Section 6 of this document)**. Entitlements of all categories of Project Affected Persons (PAPs) will be established.
7. **Vulnerable Groups/Individuals:** Specific assistance shall be provided to vulnerable groups/individuals identified through the socio economic survey.
8. **Unknown/Deceased PAPs:** A mechanism has been already been established by the Law in order to provide compensation to eligible persons/beneficiaries with recognisable rights to land and property where owners are unknown and/or deceased. Further details of this will be provided in the LARP.
9. **Temporary occupation of land for construction purposes will be compensated** in accordance with the Law on Expropriation of RS, as stated in the Entitlements Matrix in Section 6 of this document. Short-term impacts related to loss of and/or disruption in access may also entail compensations or other assistance to affected persons. Construction related activities will be organised in a way to avoid and minimise economic displacement, i.e. by ensuring access is retained to villages and agricultural lands and effects during harvest periods are very carefully managed.
10. Standards of living and/or livelihoods of affected persons will be restored and potentially improved, in as short a period as possible.
11. **Official valuation** of properties/improvements to land will be carried out by a Court certified expert selected from the official list of certified experts by the RAGPA based on the State Attorney proposal or other Party (landowners) who can also propose a certified expert to be accepted by RAGPA. Methods will be used to value affected assets or resources, or the access thereto, and livelihood impacts, involving authorised experts who are independent qualified parties. Details of the method of valuation will be provided in the LARP.
12. Compensation will be provided before displacement or imposition of access restrictions. Issues related to **payment of cash compensation will be discussed and agreed with owners and all affected members** of households. Cash compensation will be paid in full or in instalments as agreed with the owners and affected members of the households and as defined by contracts, to the bank accounts specified by the owners, with agreement of all affected members of the household. In cases where there is more than one owner of property (i.e. co-ownership of married couples), compensation amounts will be divided and paid to the bank accounts they specify. Compensation for all affected assets will be provided at full replacement cost. All compensation and livelihood restoration assistance will be provided equally to men and women.
13. Moving allowance shall be provided to all categories of Project Affected People (PAP). The LARP will determine and disclose the specific moving allowances and support for economically and physically displaced persons.
14. Project Affected People and communities will be provided with information and consulted in order to facilitate their early and informed participation in the decision making process related to resettlement. Access to information and assistance for vulnerable persons/households will be facilitated by the Company according to their specific needs, on the basis of case-by-case screening to be carried out with support from the relevant municipal social departments.
15. An effective grievance mechanism will be in place for receiving and addressing in a timely fashion specific concerns about compensation and relocation raised by displaced persons.
16. The Company will **monitor the implementation of the land acquisition and livelihood restoration processes** through internal institutional arrangements as well as through an independent, external monitor. Corrective actions will be taken as necessary. All transactions to acquire land rights, as well as compensation measures, relocation activities and resettlement assistance will be documented.

5.3 Land Acquisition & Resettlement Process Overview

The land acquisition and resettlement planning and implementation process has been designed to follow the Republika Srpska expropriation process and fulfil EBRD requirements. The key steps of the process are summarised below along with an indication of the process undertaken to-date for the Project:

Table 5-1 Summary of Land Acquisition & Resettlement Process

Key Steps in Process: (Note these steps are not necessarily sequential).	Description of Steps RSM (and other responsibility parties in RS i.e. RAGPA and State Attorney etc.) will undertake for the Project:	Summary of Process Undertaken at LARF Stage for the Project and steps remaining:
1. Initial Identification of Project Affected Persons (PAPs), Land & Assets – the ‘Expropriation Elaborate’.	RSM identifies the land take required for the Project and then prepares the Expropriation Elaborate using information available in the land book registry/Cadastre. This is the initial step in identifying PAPs and affected land and assets. <i>(However, this information may be incomplete as land rights and assets not registered in the Cadastre (or with the authorities) for reasons such as unregistered purchases, death of owners and incomplete inheritance processes, unregistered structures on State land etc.).</i> RSM submits the Expropriation Elaborate to the State Attorney and RAGPA.	RSM have identified the land take required and prepared the Expropriation Elaborate and submitted it to RAGPA and the State Attorney.
2. Cut-Off Date for Eligibility.	The cut-off date for eligibility is the date of the public announcement that the Project is in the Public Interest and the official procedure for Expropriation started. The cut-off-date will be further disclosed and disseminated publicly, including at consultation meetings in the concerned affected communities.	Public Interest has not been announced yet for the Project but is anticipated. RSM with RAGPA will during further consultations with PAPs ensure the cut-off date for eligibility is explained to PAPs.
3. Site Investigations (RAGPA) – Land & Asset Inventory Surveys	RAGPA undertake the physical staking out of the corridor and site investigations (i.e. land and asset inventory surveys) to identify and confirm affected land, assets and persons (owners & users). This also identifies owners, users and assets not registered in the cadastre. RAGPA record all information from site investigations which is used for the valuations and to identify PAPs. Issues which need to be resolved and require further action (see Step 6) are also recorded (i.e. deceased owners and incomplete inheritance process, unregistered structures, land purchases not registered in the cadastre etc.)	No progress at LARF stage.
4. Household Census (<i>Further Identification of PAPs</i>) & Socio-Economic Surveys.	<p>To meet EBRD requirements, RSM will arrange for a detailed household survey for physically displaced PAPs/households and short socio-economic survey for PAPs economically displaced (i.e. affected farmers). These surveys will also enable more detailed census data to be collected and help further identify the PAPs.</p> <p>Physically Displaced PAPs/Households: Direct engagement will be carried out with physically displaced households to collect this data. This survey will enable RSM to identify specific needs and vulnerabilities to inform additional resettlement support or/and assistance with relocation. In addition, this direct engagement will enable discussion of compensation options (i.e. cash compensation or replacement property). The data will also be used to assist RSM in further detailing the proposed livelihood restoration measures contained in the LARP and be used to support monitoring of the land acquisition and resettlement programme.</p> <p>Economically Displaced PAPs/Households: PAPs whose farmland is affected (i.e. they are only economically displaced) will be invited to group consultation meetings where RSM, with the support of the Municipality and RAGPA, will undertake the short survey to gather key</p>	No progress at LARF stage.

Key Steps in Process: (Note these steps are not necessarily sequential).	Description of Steps RSM (and other responsibility parties in RS i.e. RAGPA and State Attorney etc.) will undertake for the Project:	Summary of Process Undertaken at LARF Stage for the Project and steps remaining:
	<p>socio-economic data. The purpose of undertaking these surveys is to collect key socio-economic data on the PAPs in order to: identify specific needs of individual PAPs and any vulnerabilities for which they may need additional support to re-establish their livelihoods due to the loss of their land; the data will also be used to assist RSM in further detailing the proposed assistance and livelihood restoration measures contained in the LARP and be used to support monitoring of the land acquisition and resettlement programme.</p> <p>RSM will develop questionnaires for the detailed survey for physically displaced households and a short-form questionnaire for economically displaced households. The questionnaire contained within the Corridor Vc (FBiH) LARF Appendix¹⁴ shall be used as a basis to these questionnaires, which was also developed to meet EBRD requirements and can therefore be used as the source of the questionnaire.</p> <p>The findings of the survey will also assist RSM in meeting the requirements of Art. 55 of the Law on Expropriation i.e. Personal and family circumstances of the owners whose property is pending expropriation, as well as circumstances which may have adverse economic effects, can be taken into account when determining the amount of compensation, which may be increased above the market value (Art. 55). This provision addresses livelihood restoration beyond the sheer compensation of the lost asset by providing flexibility based on a case-by-case assessment of personal circumstances.</p>	
5. Identification of Vulnerable People/Households.	Using the socio-economic questionnaire, RSM will identify vulnerable PAPs in order to determine additional support which should be offered to them. RSM will liaise with the States Attorney and RAGPA on this matter when determining compensation (i.e. as possible under Art. 55 where personal and family circumstances can be taken into account when determining the amount of compensation). RSM will liaise with the Municipality to identify any PAPs which current receive and/or qualify for social assistance.	No progress at LARF stage.
6. Public Meetings with Identified PAPs (owners & users) to Resolve Issues Identified in Site Investigations/Surveys.	RAGPA with support of the Municipality calls for a public meeting to further support the identification of owners/users and to resolve issues identified in their site investigations.	No progress at LARF stage.
7. Valuation of Affected Assets & Determination of Proposed Compensation.	RAGPA provides all necessary information to Court Certified Experts, contracted by the State Attorney, who undertake the valuations. RSM will engage with the State Attorney to discuss the need for the valuations to meet the undertakings set out in this LARF, and the requirements of EBRD as well as the national legislation (i.e. replacement values with transaction costs and no depreciation for assets).	
8. Preparation and Disclosure of LARPs.	Prior to construction and after completion of the surveys RSM shall be responsible for the preparation and disclosure of the LARP for the Project (<i>see Section 10</i>).	
9. Negotiation & Agreements with PAPs.	<p>The State Attorney office conducts the compensation negotiation with the affected persons in order to reach amicable agreements where possible.</p> <p>Compulsory expropriation will only be triggered where negotiations fail (i.e. under law a 2 month period for negotiation after the decision of expropriation is made). RSM are advised by the State Attorney of the valuations which should be used as the basis for the negotiations</p>	

¹⁴ <http://www.jpautoceste.ba/images/larf.pdf>

Key Steps in Process: (Note these steps are not necessarily sequential).	Description of Steps RSM (and other responsibility parties in RS i.e. RAGPA and State Attorney etc.) will undertake for the Project:	Summary of Process Undertaken at LARF Stage for the Project and steps remaining:
	and the amount of compensation payable. The State Attorney will ask the RSM (i.e. the beneficial user) their opinion regarding related matters which influence compensation (e.g. orphaned land, the personal and family circumstances of the owners whose property is affected which may amend the compensation offered etc.). RSM also has an important role to play in stakeholder engagement with PAPs, as defined within this LARF and the Project SEP. Where owners are absent then the State Attorney (or relevant legal authority) will appoint a representative and compensation monies will be placed in to an escrow account where future claimants can submit their claims.	
10. Compensation Payments (including Provision of In-Kind Entitlements <i>(where selected)</i>), Relocation Assistance and Delivery of Entitlements (including Livelihood Restoration Measures). Monitoring of LARP implementation.	RSM will be responsible for the payment based on official juridical decision brought by RAGPA or the Court of compensation and managing the provision of in-kind entitlements, resettlement assistance and livelihood restoration support to PAPs. RSM will also be responsible for monitoring of the implementation of the LARF and LARP.	

6 Eligibility & Entitlements

6.1 Eligibility to Compensation

All individuals / households occupying or using project affected land, recorded in the site investigations/surveys (owners and users, both formal and informal) are entitled to compensation and/or livelihood restoration or other assistance as outlined in the Entitlements Matrix in Section 6.2. The following categories of Project Affected Persons have been identified:

- Owners of land (*formal with legal rights or claims over the land*).
- Owners of crops and trees.
- Owners of businesses (formal or informal business/economic activity).
- Owners of non-residential structures/assets and infrastructure.
- Owners of residential structures/houses.
- Owners of business structures/assets.
- Local community and individual/households affected by loss of access and/or disruption of access.
- Vulnerable Groups/Individuals.

Although not identified to date, surveys for land expropriation and access planning might also identify:

- Formal users of land (*e.g. a tenant with formal legal right over the land they occupy/use*).
- Informal users of land (*with no formal legal rights or claims over the land they use – this may also refer to areas of State land (or other land) which has been used on a customary or long-term basis but right of use not registered*).
- Formal users (i.e. tenants) of residential structures/houses.
- Informal users of residential structures/houses.
- Local community and individual/households affected by loss of access and/or disruption on access which may potentially cause significant effects on livelihood that due to their vulnerability and/or livelihood dependency of these activities may cause a disproportionate affect.

PAPs with formal legal rights and with claims which are recognisable under national law

Persons with formal legal rights are recorded in the cadastre and this information has formed the basis of the Expropriation Elaborate. Also, during the RAGPA site investigations, other PAPs with formal rights may be identified who have not registered the change of ownership of land or assets in the cadastre, e.g. due to purchases and inheritance. In cases of disputes, PAPs can turn to the Courts for their resolution, which has to be processed prior to the passing of the Expropriation Decision. To try and reduce the chance of disputes the RAGPA do undertake public meetings after undertaking their site investigations to try and resolve issues identified (see Step 6 in **Table 5-1**).

PAP will also be considered as having formal rights where they fall under the provisions contained within the Law on Proprietary Rights of RS: i.e. *A significant provision of the Law is that occupants of property acquire ownership rights upon 10 years of conscientious and legal occupancy, or upon 20 years of conscientious occupancy. In addition, the Law provides that the conscientious builder of a structure on land owned by another person is entitled to acquire such land, if the land owner did not oppose to the construction. The land owner is in this case entitled to request to be compensated for the market value of the land.*

Persons with no formal legal rights to the land they occupy, at the time of the site investigations

Persons with no legal rights or claims to the land they occupy (informal users) will be recorded at the time when the site investigations and the socio-economic surveys are carried out. Examples of persons with no legal rights or claims include persons who have constructed barns or other structures on State land or those that are farming public land or even private land, without the knowledge and/or approval of the owner. Such persons will not be entitled to compensation for land, as they do not own it, however they will be entitled to compensation of assets which they own for example, the construction value of structures, crops, trees, etc.

Cut-off dates

The cut-off date for eligibility was the date of the public announcement that the Project is in the Public Interest and the official procedure for Expropriation started. The cut-off-date will be further disclosed and disseminated publicly, including at consultation meetings in the concerned affected communities.

Vulnerable PAPs/Groups

Some PAPs/individuals or groups will be considered more vulnerable than the majority of the affected population and, if affected by the Project, will require the implementation of special livelihood restoration and/or assistance measures. Such groups might include:

- Informal users of affected land who have no sources of income or assets of their own.
- Owners of informal residential structures (built without necessary permits), with no other property or place of residence.
- Persons who depend on the affected land for incomes/livelihoods and it is the only land they own or use.
- Elderly single headed households, single parent households, households with multiple members, etc. who have to be physically re-located.
- Persons who will be affected by physical and/or economic displacement, whose socio economic status is low, for example beneficiaries of social welfare.
- Illiterate persons who may have difficulties accessing information about the Project and land acquisition or understanding contracts and other important documents, etc.

The partial land-based dependency, and low incomes for paid work does mean there are signs of vulnerability in the local communities within the Project area which will be considered in the method of engagement activities and the resettlement/livelihood assistance offered. However, all the villages within the Project affected area are small, therefore engagement activities should not be resource intensive and be achievable within the timeframe indicated in the LARF as part of the socio-economic surveys.

Vulnerability will be assessed based on the results of socio economic survey and defined more precisely in the LARP.

Mechanisms for Dealing with Gaps & Issues in the Cadastre

The gaps and issues in the cadastre will be considered when determining eligibility and where such instances are found the LARP shall contain clear mechanisms to ensure these issues do not affect an eligible Project Affected Persons claim to entitlements:

- Users of land and properties not registered.
- Owners are deceased and the legal heirs have not been registered and/or have not completed the inheritance process.
- Sale purchase contracts have not been registered.
- Ownership rights resulting from right of use (i.e. of State Land – could be on a customary basis) have not been registered.
- Residential and non-residential structures are not registered.
- Structures which are registered may be recorded of a different size (e.g. have been extended).
- Structures without permits are not recorded etc.

6.2 Entitlements Matrix

Compensation entitlements for different categories of eligible households and properties covered by the current applicable legislation of RS are described in summary in **Table 6-1** below. The Entitlements Matrix is presented for the categories of PAPs affected by the physical and economic displacement impacts arising potentially from the Project. The nature of certain entitlements are explained in more detail in *Section 6.3*.

It should be noted that some of the categories of PAPs that have been included in this framework matrix may not exist in the Project area (e.g. informal users of houses), however this will only be possible to determine after the completion of the land & asset inventory and socio-economic survey. The updated LARP matrices will contain more precise categories, with exact numbers of affected persons/households that were identified during field activities.

Table 6-1 Entitlements Matrix

Type of Loss/Impact	Category of Project Affected Persons	Entitlements
PRE-CONSTRUCTION IMPACTS– Permanent Land Take		
Loss of land. <i>For both formal & informal users of land – this refers to privately owned land and State land.</i>	Owners of land (formal with legal rights or claims over the land)	Cash compensation at full replacement cost or replacement land on a like-for-like basis.
	Formal users of land (e.g. a tenant with formal legal right over the land they occupy/use)	Information about the acquisition of land at least three months in advance of land entry to enable tenant to find other land for lease – <i>if during socio-economic survey specific vulnerabilities of formal tenants are identified then support will be sort from the Municipality to find alternative land to lease formally and provide access to available support services.</i>
	Informal users of land (with no formal legal rights or claims over the land they use – this may also refer to areas of State land (or other land) which has been used on a customary or long-term basis but right of use not registered)	Information about formal acquisition/expropriation of land and project at least three months in advance of land entry to enable user to find other land. Assistance to identify replacement land / resources for use prior to land entry - <i>support will be sort from the Municipality to find alternative land and to provide access to available support services, especially if during socio-economic surveys vulnerabilities are identified for the affected PAP. Security of tenure or formalisation of a tenancy options etc. will be considered where possible within the legal framework.</i>
Orphan Land: i.e. part of an affected land plot which remains after expropriation and for which the owner has no more economic interest in using and/or is an economically unviable plot.	Owners of land (formal with legal rights or claims over the land)	<i>If a request of the affected owner of land has been made in accordance with the RS Law on Expropriation and has been declared as being justified based on the RAGPA site investigation report and Certified expert valuation report:</i> Cash compensation at full replacement cost or replacement land on a like-for-like basis.

Type of Loss/Impact	Category of Project Affected Persons	Entitlements
Loss of annual/perennial crops and trees.	Owners of crops and trees	RSM will allow where possible for farmers to harvest crops. Where they are lost, cash compensation for lost annual / perennial crops / plants at full replacement cost.
Loss of Residential Structures	Owners of residential structure/house	<p>Replacement property of at least equal size and characteristics and resettlement assistance, including moving allowance or assistance to move or</p> <p>Resettlement assistance, including moving allowance or assistance to move and cash compensation at full replacement cost (with no depreciation).</p> <p>-----</p> <p>If the owner has no other place of residence and the value of the house is so low that the affected person and his/her household cannot resettle to adequate housing as required by EBRD, the affected household shall be entitled to:</p> <p>A choice of options for securing adequate housing with security of tenure (e.g. social housing) –<i>support will be sought from the Municipalities if this instance arises.</i></p>
	Formal users (i.e. tenants) of residential structure/house	Information about the acquisition of the house at least three months in advance of demolition, to enable the tenant to find other accommodation and moving allowance or assistance to move.
	Informal users of residential structure/house	<p>Information about the acquisition of the house/structure at least three months in advance of demolition. Resettlement assistance, including moving allowance or assistance to move and if the user has no other place of residence (<i>or the socio-economic survey identifies specific vulnerabilities</i>):</p> <p>A choice of options for adequate housing with security of tenure (e.g. social housing) - <i>support will be sought from the Municipalities if this instance arises.</i></p>
Loss of Non-Residential Structures/Auxiliary (e.g. sheds, barns, fences etc.).	Owner of non-residential structure and infrastructure	Cash compensation at full replacement cost, without deduction for depreciation, and moving allowance for movable assets or assistance to move them.
Loss of Business Structures.	Owner of business structure	Cash compensation at full replacement cost, without deduction for depreciation, and moving allowance for movable assets or assistance to move them.
Loss of sources of income and/or livelihoods associated with any of the above losses.	Owner (formal or informal business or economic activity) – <i>could include agricultural livelihood activities</i>	Cash compensation for lost net income during the period of transition (until the re-establishment of business/economic activities in another location) and livelihood restoration assistance.

Type of Loss/Impact	Category of Project Affected Persons	Entitlements
DURING CONSTRUCTION IMPACTS - Temporary Effects		
Temporary loss of land required during the construction period. <i>For both formal & informal users of land – this refers to privately owned land and State land.</i>	Owners of land (formal with legal rights or claims over the land)	Cash compensation at full replacement cost for the right to use land under contract/agreement for an agreed period and reinstatement of land after use.
	Formal users of land (e.g. a tenant with formal legal right over the land they occupy/use)	Information about the acquisition of the land ideally at least three months in advance of land entry, to enable the tenant to find other land for lease. In any case, an agreement must be reached with the user, and associated compensation paid, prior to entry on the land. The agreement must be reviewed and approved by RSM if the agreement is made by another party such as the Contractor.
	Informal users of land (with no formal legal rights or claims over the land they use – this may also refer to areas of State land (or other land) which has been used on a customary or long-term basis but right of use not registered)	Information about temporary use of land ideally at least three months in advance of land entry to enable user to find other land. Assistance to identify replacement land to use for period / resources for use prior to land entry - <i>support will be sort of the Municipality to find alternative land</i> . In any case, an agreement must be reached with the user, and associated compensation paid, prior to entry on the land. The agreement must be reviewed and approved by RSM if the agreement is made by another party such as the Contractor.
Loss/damage to annual/perennial crops and trees.	Owner of crops and trees	RSM will allow where possible for farmers to harvest crops. Cash compensation for lost or damaged annual / perennial crops / plants at full replacement cost.
Damage/temporary disruptions to certain agricultural infrastructure.	Local community and individual/households affected by loss.	Repairs, compensation or other measures agreed with affected people and local communities.
Temporary loss of and/or more difficult access to land for farming or other livelihood related land uses and disturbance to agricultural vehicles/livestock etc. using existing local roads.	Local community and individual/household affected by loss of access and/or disruption on access.	Avoidance of impact through good Traffic Management, good engagement with affected PAPs and careful sequencing of works. In the unexpected event avoidance is not possible, cash compensation for lost net income during the period of transition (until the re-establishment of income level/livelihood activities ¹⁵) and livelihood restoration assistance.
	Local community and individual/household affected by loss of access and/or disruption on access which may potentially cause significant effects on livelihood that due to their vulnerability and/or livelihood	Avoidance of impact through good Traffic Management, good engagement with affected PAPs and careful sequencing of works. In the unexpected event avoidance is not possible, cash compensation for lost net income during the period of transition (until the re-establishment of business/economic activities)

¹⁵ Annual incomes from certain livelihood activities based on the preceding 3 years will be gathered (as far as possible) during the Socio-Economic surveys and used as one metric for determining lost net income. Effects on harvest periods will be given specific consideration in determining entitlement.

Type of Loss/Impact	Category of Project Affected Persons	Entitlements
	dependency of these activities may cause a disproportionate affect.	<p>and livelihood restoration assistance and if deemed necessary due to vulnerabilities due to project impacts, the Contractor & RSM (or their representative) will in discussion with the relevant support services at the Municipality identify additional assistance for the period of impact (i.e. this group may be specifically vulnerable to such disruption during the winter period and harvest periods etc.).</p> <p><i>In planning the Work during winter and harvest periods if there are anticipated effects on access arrangements for PAPs/villages identified as vulnerable the Contractor & RSM will pre-emptively discuss additional assistance for the potential period of impact.</i></p>
Temporary loss of sources of income and/or livelihoods associated with any of the above losses, including loss of and/or more difficult access.	Owner of business (formal or informal business/economic activity).	Cash compensation for lost net income during the period of transition (until the re-establishment of business/economic activities) and livelihood restoration assistance.
DURING OPERATION IMPACTS – Permanent Access Effects		
Loss of and/or more difficult access to land, commercial facilities and/or the road network.	Local community and individual/household affected by loss of access and/or disruption on access.	<i>No additional entitlements for compensation are currently proposed as no permanent effect on access are allowed under the road design regulatory framework in RS, therefore impacts on access should only be temporary during construction.</i>
LOSSES/IMPACTS ON VULNERABLE GROUPS		
Any other specific losses / impacts on vulnerable groups, associated with land acquisition for the Project, identified during the development of the LARP.	Vulnerable groups / individuals	Special measures for effective participation, compensation, resettlement and livelihood restoration, to be defined in the LARP.

6.3 Entitlements – Associated Considerations

The nature of certain entitlements are explained in more detail below:

Permitted Structures & Structures with No Valid Permit: The status of structures (residential and business) can vary from formally constructed structures, with all appropriate permits and registered in the Cadastre, to those that have been constructed informally, without the required permits (i.e. the construction permit) and not registered in the Cadastre. Both types of structures are eligible for compensation, as defined in the Entitlements Matrix in Section 6.2.

Formal & Informal Livelihoods: Similarly to structures, incomes and sources of livelihoods of affected people/households can also be formal and informal. Persons whose incomes/sources of livelihoods are affected, regardless of their status, will be eligible for compensation and/or assistance, as defined in the Entitlements Matrix in Section 6.2.

Full Replacement Cost: Full replacement cost will be calculated as the market value of assets plus any transaction costs associated with restoring such assets (e.g. transfer taxes, registration costs). The market value of assets (land and structures) will be defined based on recent market transactions in the affected area and the method by the Certified Experts. Checks will also be carried out on the cost of purchasing land in the area to check compensation will be sufficient for PAPs to buy replacement land if they so wish.

Valuation: Valuation Certified experts who are independent qualified parties. The Method of Valuation will be in line with RS legal requirements and EBRD requirements with the principle of replacement cost used. RSM will ensure the LARP contains the detailed Method of Valuation used. Replacement cost of land will correspond to the market value of land with similar characteristics, in the vicinity of the affected land, plus any transaction costs. The valuation of land will take into account the quality and productivity of land. Valuation of plants and trees will take into account various important features, such as their age or the resources and amount of time that would be needed to grow a new tree/plant.

Replacement cost of formal structures, registered in the Cadastre, will correspond to the market value of structures with similar characteristics, in the affected area, plus any transaction costs. Replacement cost of informal residential or business structures (built without construction permits and not registered in the Cadastre) as well as non-residential structures, will be calculated as the cost of rebuilding a structure of similar characteristics in another location, including materials, costs of labour and any transaction costs (i.e. the construction value of structures).

Cash Compensation: Compensation for an expropriated property can be provided in cash. Given the limited physical displacement, cash compensation rather than like-for-like compensation is considered appropriate for this Project, however in-kind replacement property will be offered as an option by RSM (see Entitlements Matrix in Section 6.2).

Timing of Compensation: Compensation will be paid prior to accessing land or taking possession of properties or displacement occurs. If the affected people dispute the offered compensation amount (or type) and turn to the Courts, and RSM takes advantage of legal options for accessing the property before compensation is executed, every effort will be made to pay for all undisputed assets as quickly as possible to minimise impacts on affected people/households. **If a property is to be accessed by the client, after it has become legally binding but before compensation has been accepted, the following will take place:**

1. The amount intended as compensation will be placed in an escrow account.
2. In the event that a residential property is no longer usable, alternative and adequate housing will be provided. Adequate housing or shelter can be measured by quality, safety, affordability, habitability, cultural appropriateness, accessibility and locational characteristics. Adequate housing will allow access to employment options, markets and basic infrastructure and services, such as water, electricity, sanitation, health care and education.
3. In the event that the land /part thereof is used for agricultural and/or other livelihood purposes, alternative land/property with the same characteristics will be provided or compensation will be provided to cover for the economic loss to be incurred.
4. Other assistance will be provided and to be determined on a case by case basis.

Resettlement assistance will be provided before and/or after displacement, until the affected household re-establishes or, if possible, improves their standard of living. Similarly, in cases when it is determined that the Project will cause economic displacement, compensation and livelihood restoration assistance will be provided before displacement occurs,

so that the affected people can restore their sources of income/livelihoods. Livelihood restoration assistance will continue until sources of households' livelihoods are completely restored or, if possible, improved.

Temporary replacement structures or land can be provided to physically or economically displaced people/households with their consent. Affected people/households will be able to use these facilities until their compensation payments have been executed and they have replaced their lost land/assets.

Resettlement Assistance: Resettlement assistance will be defined based on the outcome of the socio-economic survey, in accordance with the specific needs of affected people. This assistance is very often provided to vulnerable households which are physically or economically displaced by a project and can include the following:

- Assistance to resettle to appropriate accommodation with security of tenure. For example, a vulnerable household that has no other place of residence than the affected informal residential structure, may be assisted to resettle to a municipal social apartment, with a long term contract to ensure security of tenure.
- Assistance to identify alternative farm land where cash compensation selected.
- Assistance to obtain personal documents, to help with accessing services available under national legislation.
- Assistance to access social welfare.
- Assistance to enrol children into school and to access health care, etc.

Resettlement assistance also includes the provision of a moving allowance for household members and movable assets, or assistance to move them. Such assets include furniture, equipment, personal belongings of families, etc.

Resettlement assistance will be provided to those identified as needing it during the socio-economic survey. RSM will cooperate with institutions and organisations that can provide needed services, such as the Ministry of Health and Social Affairs or local organisations which work with vulnerable groups to assist them in accessing appropriate services.

Livelihood Restoration Assistance: In case the implementation of the Project and loss of land and other assets or access to assets, leads to loss of income sources or means of livelihood (economic displacement) of PAPs, alongside compensation for affected land and assets, and in accordance with negotiated agreements on compensation, RSM will implement livelihood restoration measures which will be defined in greater detail in the LARP. Such measures may include:

- Access to employment opportunities created by the Project (*e.g. during construction*).
- Compensation for the cost of re-establishing business activities elsewhere.
- Assistance to identify and access other income/livelihood generation activities.
- Provision of any transitional support whilst re-establishing farming activities.
- Compensation for or assistance to transport equipment or machinery.

Livelihood restoration assistance will be provided to those identified as needing it during the socio-economic survey. RSM will cooperate with institutions and organisations that can provide this assistance based on the RAGPA/court decision, such as the Municipality of Dobojo and any agricultural development agencies operating in the area. RSM has an important role to play in stakeholder engagement with PAPs, as defined within this LARP and the Project SEP.

In detailing the assistance measures for agricultural livelihood restoration the findings of the socio-economic surveys and engagement with institutions and organisations will be considered. Other considerations in identifying measures will be given to identifying improvements which could help affected PAPs increase their yield and income on all land (e.g. irrigation, training for increasing their yield and production, training of other members of a household who are not engaged in agriculture etc.). The LARP will focus on identifying livelihood assistance measures that will be sustainable and keep bringing benefits in so they can help improve livelihoods, rather than a one-off Project compensation payment.

Rehabilitation of Temporarily Occupied Land

All land temporarily occupied under agreement for the Project will have to be fully rehabilitated and reinstated once the contractual period for land use has ended. This means that all sites will be cleared of waste and that all equipment will be removed. It may also include top soil conservation in some areas to preserve the quality of the affected land, which will be the responsibility of awarded Contractors and monitored by RSM. Undertaking these measures will enable owners / users of land to continue using it in the same way they used it before the implementation of the Project.

Assistance for Vulnerable Groups

Specific measures to assist any vulnerable groups identified through the socio-economic surveys will be defined in accordance with their needs. For example, certain groups may need legal or other assistance to restore their livelihoods, such as assistance to improve their businesses, some vulnerable households may need additional services from social workers, etc. Some vulnerable PAPs may need assistance to access social welfare payments which they are entitled to, RSM will liaise with the Municipality over assistance and support to vulnerable PAPs.

7 Consultation and Disclosure

The LARF will be disclosed on the Company website (<http://www.autoputevirs.com>) and the EBRD website (www.ebrd.com). In addition hard copies of the LARF will be available at the following locations:

- Republika Srpska Motorways [Vase Pelagića 10, 78000, Banja Luka, Tel: +387 51 233 670, e-mail: info@autoputevirs.com, www.autoputevirs.com]
- EBRD office in Sarajevo [15th Floor, Tower B Unitic Towers, Fra Andela Zvizdovica 1, 71000 Sarajevo, Bosnia and Herzegovina, <http://www.ebrd.com/ebd-in-bosnia-and-herzegovina.html>]
- Municipality of Doboj [Hilandarska 1, 74 000 Doboj, Tel: +387 53 242 022, www.opstina-doboj.ba]

There is a Project wide Stakeholder Engagement Plan (SEP) also disclosed on the Company and EBRD websites and deposited at the above locations. This contains the engagement activities for the Project and includes the engagements with affected owners and users of land and assets (*including those with legal and no legal rights or claims to land they occupy or use*). The Municipality of Doboj will support RSM with the arrangements for these engagement activities which include:

- RSM will hold **general consultation meetings with local communities on land acquisition** including: for the development of the Land Acquisition & Resettlement Plan; to present the detailed project footprint and affected land and assets; effects on access to land, to announce the socio economic survey/census; surveys by the RAGPA and the process of valuations of properties; present the LARF, the entitlements matrix and types and method of compensation.
- During RAGPA's future surveys in the field to verify data in the Expropriation Elaborates, identify affected land & assets (some of which may not be registered in the cadastre (formal and informal)) and undertake the land & asset field surveys, the Company, with the municipality's support, will assist RAGPA to engage with the local community to identify affected users and owners. Where RAGPA have already undertaken surveys the Company will undertake engagement with local communities where RAGPA have not been able to identify all affected owners and users.
- Discussion with the Ministry of Health and Social Affairs as to availability of data on any vulnerable households or individuals amongst the PAPs and also any means the Ministry has, in cooperation with RSM, to provide support to those households / individuals with respect to Project impacts, especially those affected by physical displacement.
- Individual meetings as required under RS legislation as part of the expropriation process with affected owners (*see Section 4 above*).

As part of these activities, RSM will specially undertake the following in coordination with the Municipality and State Attorney:

- **Direct engagement with physically displaced households whose residential structures are affected**, including to undertake a full socio-economic survey and for the valuation of structures – this will require direct engagement with affected parties. The socio-economic survey will enable RSM to identify specific needs and any vulnerabilities to inform additional resettlement support or/and assistance necessary with relocation. In addition, this direct engagement will enable discussion of compensation options (i.e. cash compensation at replacement value plus moving allowances or replacement property). Where physically displaced PAPs select cash compensation additional direct engagement will be carried out to discuss support available to assist with identification of alternative housing.

- Economically displaced Project Affected Persons (PAPs) will be invited to group/area consultation meetings in order to review the project footprint, discuss affected land (including identification of whether land outside the footprint may be orphaned and become uneconomic to farm) and for RSM to gather some key socio-economic data in order to identify any specific needs and vulnerabilities and inform additional support or assistance necessary. These sessions will also offer the PAPs an opportunity to discuss access to remaining land and other related land matters.
- **Direct engagement with business owners** whose property or access may be affected.
- When implementation of the LARP begins for the Project, the Company will continue to regularly inform and consult affected people. All meetings and consultations will be documented by the Company providing the date when the meeting/ consultation was held, list of attendees, and a summary of the discussions.

8 Grievance Management Mechanisms

8.1 Project Grievance Mechanism

The Company and the Contractor(s) will accept all comments and complaints associated with the Project and in connection with the land acquisition and resettlement process, submitted either verbally or in writing. The Company recognises that consultation is an ongoing process, and different concerns may arise as the Project moves into the land acquisition and construction phases.

A grievance mechanism will be adopted as presented in **Figure 8-1** (overleaf). RSM and the Contractor(s) will accept all comments and complaints associated with the Project. Land acquisition and resettlement related grievances will also be managed under this mechanism. A sample of the Projects Public Grievance Form is provided at the end of this document (Annex A). Any person or organisation may send comments and/or complaints in person, by phone, via post, or email using the contact information provided at the end of the document.

All comments and complaints will be responded to either verbally or in writing, in accordance with the preferred method of communication specified by the complainant, if contact details of the complainant are provided.

All grievances will be registered and acknowledged within 5 days and responded to within 20 working days. Individuals who submit their comments or grievances have the right to request that their name be kept confidential.

RSM will monitor the way in which grievances are being handled by the Contractor(s) and ensure they are properly addressed within deadlines specified above. RSM will keep a grievance log of all grievances (including those received and addressed by the Contractor(s)), based on which grievance management reports will be produced and included in the annual environment and social reports, published on the RSM website.

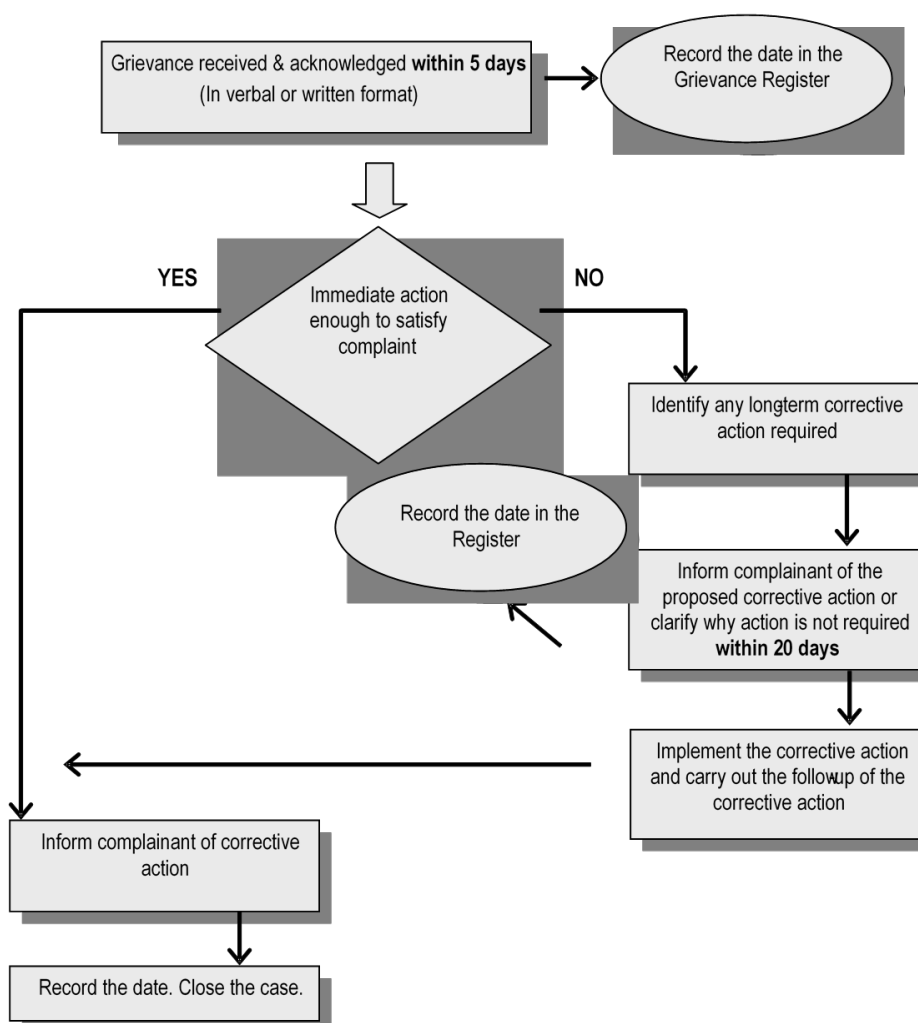
A separate grievance mechanism is available for workers of the Contractor(s).

8.2 RS Expropriation Process Grievance Procedure

In addition to the Project Grievance Mechanism (Section 8.1 above) at all times, complainants are also able to seek legal remedies in accordance with the laws and regulations of Republic Srpska.

The Law on Expropriation foresees the rights of affected citizens to appeal at many stages of the expropriation procedure, beginning with administrative and judicial appeals (i.e. against the decision on public interest (Art. 18), the decision on expropriation (Art. 31) and regarding compensation (Art. 70).

Figure 8-1 Project Grievance Mechanism



9 Monitoring, Evaluation & Reporting

9.1 Monitoring & Evaluation

The Company will conduct monitoring and maintain a land acquisition database on the Project Affected Persons (PAPs) (individuals/households/businesses etc.) whose properties have been affected (including the non-owners), and the compensation, resettlement and livelihood restoration measures that have been implemented, until all displacement impacts have been mitigated, as determined based on a Completion Audit, which will be carried out as agreed with EBRD. The data/information will be updated periodically in order to keep track of the families' and businesses' progress.

This database will include information on the vulnerability of PAPs and any specific issues regarding effects on access to their land as a result of the Project. The Company Legal Department will be responsible for regularly updating the database. This will most likely be achieved through regular communication with the State Attorney office and through participation in engagement with PAP.

All information on PAPs, their holdings and their compensation payments and assistance measures will be kept confidential.

The Company will monitor the implementation of the land acquisition and livelihood restoration processes through internal institutional arrangements as well as through an independent, external monitor. Corrective actions will be taken as necessary.

An internal monitoring system shall be established in RSM, consisting of:

- Progress monitoring of inputs and outputs which measures whether inputs are delivered on schedule and as defined in the LARF and the LARP; and
- Periodic measurement of outcome indicators against baseline conditions, obtained through the socio-economic survey.

The independent, external monitor will be an experienced land access/resettlement consultant procured to do this by RSM, for example, performing audits at key stages.

The table below provides an indicative list of indicators which will be used for monitoring. A final list of indicators, developed based on the results of the socio-economic survey, will be included in the LARP.

Table 9-1 Monitoring Indicators

Indicator	Source of Information	Frequency of Measurement
Input indicators		
Number of consultation meetings with PAPs and results of consultation activities	Meeting minutes	Biannually
Number of affected people/households, by category (formal or informal, owners or users, vulnerable groups) and types of impacts (physical displacement, temporary or permanent economic displacement, other)	Company land acquisition and resettlement database and grievance management records	Biannually
Number and type of affected assets (land, houses, non-residential structures, crops, trees, etc.)	Company resettlement database	Biannually
Overall spending on compensation, resettlement and livelihood restoration	Company financial records	Biannually
Reinstatement of land – number of plots complete	Construction contractors' reports and grievance management records	Annually
Timing of implemented activities in comparison to the LARP implementation schedule	Compare status of implementation to LARP schedule	Biannually
Output indicators		
Number of compensation contracts signed Number and % of compensation payments completed	Company resettlement database and financial records	Biannually
Physical Displacement – number of people/households resettled, type of resettlement assistance provided	Company resettlement database	Annually
Livelihood restoration measures – types of measures implemented, implementation progress, number of beneficiaries	Company resettlement database	Annually
Number of persons requesting special assistance and types of assistance provided to vulnerable individuals/households	Company resettlement database	Annually
Outcome indicators		
Number and type of received and outstanding or unresolved grievances, including any court cases, related to land acquisition (and how long it took for them to be resolved)	Grievance management records	Biannually
Average time for payment of compensation	Measure time between compensation agreement and payment	Annually
Does compensation represent full replacement cost?	Investigate whether recipients of cash compensation were able to purchase a similar property	Annually

Indicator	Source of Information	Frequency of Measurement
Use of compensation	Company resettlement database	Annually
Physical displacement - satisfaction with new homes / assets	Individual meetings with people/households Company resettlement database	Annually
Income / livelihoods: <ul style="list-style-type: none"> Changes in income level (maintained, increased, decreased) Reinvestment in livelihood activities (purchase of land, equipment, skill training, etc.) 	Individual meetings with people/households Company resettlement database	Annually

At the end of the land acquisition process a completion audit should be carried out by an independent expert, hired by RSM and acceptable to the EBRD, and any remedial measures should be addressed on a timely basis and in discussion with EBRD.

9.2 Reporting

The Company will prepare and submit to EBRD as appropriate, annual reports on the progress achieved in the implementation of this LARF and detailed Land Acquisition and Resettlement Plan for the Project.

These reports will consolidate the information on compensation and resettlement/livelihood restoration measures, consultations, information on negotiations and results, provision of assistance to vulnerable groups, grievance management, etc. The Company will document all meetings and consultations with minutes.

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

10 Implementation Responsibilities, Timeline and Funding

10.1 Implementation Responsibilities, Timeline & Funding

The key institutions with responsibilities for land acquisition and expropriation in RS and for the Project are:

- **Republika Srpska (RS):** is the Expropriation Beneficiary, as the owner of expropriated land.
- **Republika Srpska Motorways (RSM):** RSM is the beneficial user and responsible for the identification of the land take boundary, preparation of the Expropriation Elaborate from the cadastre, the review of compensations (where requested to do so by the State Attorney, see point below), and payment of compensation. RSM also has an important role to play in stakeholder engagement with PAPs, as defined within this LARF and the Project SEP.
- **RS State Attorney & the Republic Administration for Geodetic and Property Affairs (RAGPA):** RSM passes the Expropriation Elaborate to the State Attorney and RAGPA who are the main parties for expropriation, with RAGPA acting as the 'Expropriation Authority' and the State Attorney as the legal representative of the Expropriation Beneficiary (i.e. Republic of Srpska for this Project). The RAGPA undertakes the site investigations (including the land and assets field surveys and investigations to identify and confirm affected land, assets and persons) and to collate necessary information on which the valuations are done. Certified Experts are contracted by the State Attorney to undertake the valuations and compensation schedules. The State Attorney will ask the **RSM** (i.e. the beneficial user) their opinion regarding related matters which influence compensation (e.g. orphaned land, the personal and family circumstances of the owners whose property is affected which may amend the compensation offered etc.). The RSM is advised by the State Attorney of the valuations which should be used as the basis of negotiations with affected persons and the amount of compensation payable to affected persons. The State Attorney office conducts the compensation negotiation with the affected persons.

- **Court Certified Experts** (contracted by State Attorney): The State Attorney contracts certified experts to undertake the valuations.
- **Municipalities:** The local Municipalities main role in relation to expropriation is only to facilitate public consultation and engagement with affected persons (owners and users) in the communities in their area.

In addition to the key institutions, the Contractor will generate some of the temporary access agreements with PAPs. In any case, an agreement must be reached with the user, and associated compensation paid, prior to entry on the land. The agreement must be reviewed and approved by RSM if the agreement is made by another party such as the Contractor.

RSM, as the beneficial user, will be responsible for the implementation of all aspects of the LARF where responsibility has not clearly been assigned elsewhere in the text, including development and implementation of the LARP and payment of compensation and delivery of entitlements to PAPs. All parties involved in the implementation of the Project, including the Contractors are required to comply with the requirements set out in this document.

The key activities, in line with the Land Acquisition & Resettlement Steps contained in **Table 5-1**, and timeline for implementation of the LARF and preparation of the LARP for the Project is outlined in **Table 10-1**. The timing indicated may alter depending on the procurement of the Project etc. Specific roles of RSM and Contractors are also indicated in the tables.

As a critical first step, RSM will participate with the State Attorney, RAGPA and Municipality Doboj, in ongoing engagement activities with affected owners and users of land and assets (including those with legal and no legal rights or claims to land they occupy or use). The Municipality of Doboj will support RSM with the arrangements for these engagement activities including advising on ways to best inform residents of planned meetings. The specific requirements for engagement activities are described in the Stakeholder Engagement Plan for the Project.

Table 10-1 Summary Table of Key Remaining Activities & Timeline for Implementation of the LARF and LARP for the Project

Activity	Resp. Party	2018	2019				2020-2022	2023 - onwards
		Q4	Q1	Q2	Q3	Q4	Construction	Operation
Pre-Construction : Main Acquisition/Expropriation Activities :								
(Step 1) Cut-Off Date for Eligibility – stakeholder engagement with PAPs to include explanation of the cut-off date.	RAGPA, or where RAGPA cannot do this, RSM as necessary							
(Step 2) Site Investigations (Step 3) - Land & Asset Inventory	RAGPA, supplemented by RSM as necessary ¹⁶							
(Step 3) Household Census & Supplemental socio-economic survey work ¹⁷ : Via general consultation meetings with local communities, individual meetings with PAPs who are to be physically displaced and engagement with the Ministry of Health and Social Affairs ¹⁸ . (Step 5) Identification of Vulnerable PAPs will also be carried out at this stage by RSM.	RSM, working with Municipality of Dobo, State Attorney Office, and RAGPA							
(Step 4) Public Meetings with PAPs (owners & users) to resolve issues identified during Site Investigations.	RAGPA, working with Municipality of Dobo, State Attorney Office, and RSM							
(Step 5) Valuation of Land & Assets.	RAGPA, State Attorney (and certified valuers)							
(Step 6) Determination of proposed Compensation i.e. Establishment of Entitlements	State Attorney and RSM (in providing opinion regarding matters which influence compensation)							
(Step 7) Preparation & Disclosure of LARP (see Section 10.2 below),	RSM							
(Step 8) Negotiation and Agreements with PAPs.	State Attorney							
(Step 9) Payment of Compensation (prior to taking access) and Delivery of livelihood restoration & resettlement assistance.	RSM (compensation payments) and other agreed body (resettlement assistance & livelihood measures delivery).				Payment of compensation prior to land access on a rolling program as needed ¹⁹			
Planned commencement of construction:	RSM							
Temporary land access agreements for construction, as required.	RSM/Contractor							
Activities Undertaken Throughout Project Life:								
Grievance management	RSM/Contractor							
Consultation & Disclosure	RSM/EBRD							
Monitoring & reporting	RSM							

¹⁶ During RAGPA's future land and asset surveys in the field to verify data in the Expropriation Elaborates, RSM, with the municipality's support, will assist RAGPA to engage with the local community to identify affected both formal and informal land users and owners. Where RAGPA have already undertaken surveys RSM will undertake engagement with local communities where RAGPA have not been able to identify all affected owners and users.

¹⁷ RSM will prepare a detailed socio-economic survey questionnaire for physically displaced PAPs and a short-form socio-economic survey questionnaire for economically displaced PAPs.

¹⁸ The specific requirements for these engagement activities are described in the Stakeholder Engagement Plan for the Project.

¹⁹ Planning to consider the ideally 3 months of notice required to be given to tenants and informal users of residential structures.

RSM will appoint a Land Acquisition and Resettlement Coordinator (with sufficient support staff) to coordinate and implement the LARF and prepare the LARP.

RSM will fund the compensation for the expropriation and the delivery of entitlements for resettlements and support livelihood restoration. RSM shall seek support from the Municipality's Social Welfare/Assistance department in provision of support to vulnerable PAPs.

10.2 Summary of Actions for RSM for the LARP (Step 8)

Table 10-1 details the remaining actions for RSM to undertake for the land acquisition process which will inform the LARP for the Project. Below is the proposed table of contents for the LARP and the updates and additions required to develop this using the LARF as a base.

Table 10-2 Proposed Table of Content for the LARP and Actions required to Update LARF to LARP

LARF Section:	LARP Section:	Actions to update LARF to LARP:
1.Introduction	1. Introduction	Update 'Scope of LARF' sub-section to 'Scope of LARP'.
2. The Project & Land Use Context.	2. The Project & Land Use Context.	Update project description and status of land acquisition.
3. Summary of Affected Land, Assets & Persons.	3. Summary of Affected Land, Assets & Persons.	This section should be updated with details from the RAGPA site investigations with a full schedule of land plots affected, assets (including residential structures and small holdings) and businesses. New sub-sections should be added summarising the Socio-Economic Baseline (from the socio-economic surveys) and Vulnerable PAPs. (No personal details or names of PAPs should be included in the LARP).
4. Legal & Policy Framework for Land Acquisition & Resettlement.	4. Legal & Policy Framework for Land Acquisition & Resettlement.	None - (Updates would only be if any applicable RS laws change during the intervening period).
5. Principles, Objectives & Processes.	5. Principles, Objectives & Processes.	None.
6. Eligibility & Entitlements.	6. Eligibility & Entitlements.	Should be reviewed based on findings of surveys and consultations, and entitlements further detailed. Section 6.3 should be the basis of the new Section 7 in the LARP.
	7. Resettlement & Compensation 7.1 Methods for Valuation of Affected Land & Assets 7.2 In-kind Compensation & Resettlement Assistance 7.3 Cash Compensation – Rates & Payments 7.4 Livelihood Restoration Measures	Section 6.3 of the LARF should be used to develop this Section and the detailed valuation method and further details on compensation entitlements added.
7. Consultation & Disclosure.	8. Consultation & Disclosure.	Update with the main results of the consultation during the preparation of the LARP and the disclosure process for the LARP.
8. Grievance Management Mechanism.	9. Grievance Management Mechanisms.	None.
9. Monitoring, Evaluation & Reporting.	10. Monitoring, Evaluation & Reporting.	Review and update for monitoring results of the LARF.
10. Implementation Responsibilities, Timeline and Funding.	11. Implementation Responsibilities, Timeline and Funding.	Review and further detail the implementation responsibilities for the delivery of compensation and entitlements. Review and update timeline. Summarised budget and funding.

11 LARF Contact Details

All types of stakeholder communications (apart from those raised by employees and contractors) relating to this Project should be channelled to the Company through the following designated staff member:

Contact Person: Ms. Dobrila Majstorovic, Public Relations

Public Company "Republika Srpska Motorways" Ltd.

Address: Vase Pelagića 10, 78000, Banja Luka

Tel: +387 51 233 670

E-mail address: info@autoputevirs.com

www.autoputevirs.com

Public Grievance Form

Reference No:	
Full Name	
Contact Information Please mark how you wish to be contacted (mail, telephone, e-mail).	<input type="checkbox"/> By Post: Please provide mailing address: <hr/> <input type="checkbox"/> By Telephone: <hr/> <input type="checkbox"/> By E-mail
Preferred language for communication	<input type="checkbox"/> Serbian <input type="checkbox"/> Other (Please state language):
Description of Incident or Grievance: What happened? Where did it happen? Who did it happen to? What is the result of the problem?	
Date of Incident/Grievance	
	<input type="checkbox"/> One time incident/grievance (date _____) <input type="checkbox"/> Happened more than once (how many times? _____) <input type="checkbox"/> On-going (currently experiencing problem)
What would you like to see happen to resolve the problem?	

Signature: _____ Date: _____

Please return this form to: Ms. Dobrila Majstorovic, JP "Autoputevi RS"

Vase Pelagića 10, 78 000 Banja Luka

Tel: + 387 51 233 670

Email: info@autoputevirs.com

Annex B General Structure of Land Acquisition and Resettlement Plans (LARPs)

1. SCOPE OF THE LAND ACQUISITION AND RESETTLEMENT PLAN
2. PROJECT DESCRIPTION AND PROJECT POTENTIAL IMPACTS
3. LEGAL FRAMEWORK
4. PRINCIPLES, OBJECTIVES, AND PROCESSES
 - 4.1. PRINCIPLES AND OBJECTIVES
 - 4.2. PROCESS OVERVIEW
5. AFFECTED ASSETS, AFFECTED PEOPLE AND ENTITLEMENTS
 - 5.1. CENSUS OF AFFECTED ASSETS AND AFFECTED HOUSEHOLDS AND EXPROPRIATION STUDY
 - 5.2. SOCIO-ECONOMIC BASELINE SURVEY
 - 5.3. AFFECTED LAND
 - 5.4. AFFECTED STRUCTURES
 - 5.5. BUSINESSES
 - 5.6. PEOPLE
 - 5.7. ENTITLEMENTS
 - 5.7.1. Eligibility to Compensation
 - 5.7.2. Entitlement Matrix
6. RESETTLEMENT AND COMPENSATION
 - 6.1. METHODS FOR VALUATION OF AFFECTED ASSETS
 - 6.2. RESETTLEMENT
 - 6.3. CASH COMPENSATION
 - 6.3.1. Rates
 - 6.3.2. Payment
7. CONSULTATION AND DISCLOSURE
 - 7.1. MAIN RESULTS OF CONSULTATION CARRIED OUT FOR PREPARING THE RAP
 - 7.2. DISCLOSURE
8. GRIEVANCE MANAGEMENT MECHANISMS
9. VULNERABLE PEOPLE
 - 9.1. IDENTIFICATION OF VULNERABLE PEOPLE
 - 9.2. POTENTIAL ASSISTANCE ACTIVITIES TO VULNERABLE PEOPLE
10. MONITORING AND EVALUATION
11. IMPLEMENTATION RESPONSIBILITIES AND FUNDING
 - 11.1. IMPLEMENTATION RESPONSIBILITIES
 - 11.2. BUDGET
 - 11.3. ARRANGEMENTS FOR FUNDING