

# RESETTLEMENT POLICY FRAMEWORK

SERBIA LOCAL INFRASTRUCTURE AND INSTITUTIONAL  
DEVELOPMENT PROJECT (P174251)

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## ABBREVIATIONS

<b>BoE</b>	Beneficiary of Expropriation
<b>DP</b>	Displaced person
<b>EIA</b>	Environmental Impact Assessment
<b>ESMP</b>	Environmental and Social Management Plan
<b>ESMF</b>	Environmental and Social Management Framework
<b>ESS</b>	Environmental and Social Standard
<b>GoRS</b>	Government of Republic of Serbia
<b>GM</b>	Grievance Mechanism
<b>LIID</b>	Local Infrastructure and Institutional Development Project
<b>LGAD</b>	Local Grievance Admission Desk
<b>LM</b>	Local municipalities
<b>LSG</b>	Local Self Government
<b>MCTI</b>	Ministry of Communication, Transport and Infrastructure
<b>POM</b>	Project Operational Management
<b>PAP</b>	Project Affected Persons
<b>PIU</b>	Project Implementation Unit
<b>RAP</b>	Resettlement Action Plan
<b>RS</b>	Republic of Serbia
<b>RPF</b>	Resettlement Policy Framework
<b>SA</b>	Social Assessment
<b>SEL</b>	Stakeholder Engagement Log
<b>WB</b>	World Bank
<b>WHO</b>	World Health Organization

## GLOSSARY

Displaced Person (DP)	Any individual(s) living, cultivating land or carrying on business, trade or any other occupation within the area of impact who gets displaced by the project
Compensation	Payment in cash or in kind to which the Project Affected Persons are entitled in order to replace land or other assets taken for project use
Cut-off-date	The date after which people WILL NOT BE considered eligible for compensation, i.e., they are not included in the list of PAPs as defined by the census. The cut-off-date will correspond to the date on which the request for determination of Public Interest for expropriation is submitted to the relevant authority and the commencement date of the household/assets survey.
Economic displacement	Includes all loss of income sources or means of livelihood as a result of land acquisition or restricted access to resources (land, water, or forest) as a result of Project implementation, regardless whether affected persons must move to another location or not.
Entitlement	Entitlement means the range of measures comprising compensation in cash or in kind, relocation cost, income rehabilitation assistance, transfer assistance, income substitution, and business restoration, which are due to PAPs, depending on the type, degree, and nature of their losses, to restore their social and economic base.
Expropriation	Refers to dispossession or limitation of ownership rights on property against compensation pursuant to market value of the property and is based on the Governments eminent domain power, regulated by the Law on Expropriation or by the Law on Special Procedures for the Implementation of the Project of Construction and Reconstruction of Line Infrastructure Structures of Particular Importance to the Republic of Serbia
Grievance Redress Mechanism	Project specific procedures and mechanism in place in parallel to official grievance panels, allowing affected people to lodge a complaint or a claim, related to direct or indirect impact from the Project, without cost and with the assurance of a timely and satisfactory resolution of that complaint or claim
Forced Eviction	Refers to permanent or temporary removal against the will of individuals, families, and/or communities from the homes and/or land which they occupy without the provision of, and access to, appropriate forms of legal and other protection, including all applicable procedures and principles in this RPF. The exercise of eminent domain, compulsory acquisition or similar powers will not be considered to be forced eviction providing it complies with the requirements of national law and the provisions of this RPF, and is conducted in a manner consistent with basic principles of due process (including provision of adequate advance notice, meaningful opportunities to lodge grievances and appeals, and avoidance of the use of unnecessary, disproportionate, or excessive force).
Income restoration	Income Restoration means re-establishing productivity and livelihoods of PAPs.
Involuntary Resettlement	Involuntary resettlement refers to Project-related impacts of resettlement without persons affected having the right to decline land acquisition or restrictions on land use, physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood), or both.

Land acquisition	Land Acquisition means the process whereby a person is compelled by a public agency to alienate all or part of the land she/he owns or possesses, to the ownership and possession of that agency, for public purposes in return for fair compensation. Refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way. Land acquisition may also include: (a) acquisition of unoccupied or unutilized land whether or not the landholder relies upon such land for income or livelihood purposes; (b) repossession of public land that is used or occupied by individuals or households; and (c) project impacts that result in land being submerged or otherwise rendered unusable or inaccessible. "Land" includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and appurtenant water bodies.
Livelihood	Refers to the full range of means that individuals, families and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource-based livelihoods (ecosystem services), petty trade and bartering.
Moving allowance	The moving allowance is a compensation for costs directly associated to moving/relocation of the household or business (paid in cash or by direct moving support).
Physical displacement	Loss of shelter and assets resulting from the property acquisition associated with the Project that requires PAPs to move from home, workplace or business premises to another location.
Project Affected Person (PAP)	Project Affected Person is any person who, as a result of the implementation of a subproject, suffers direct economic and/or social impacts.
Replacement cost	Replacement cost is defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets acceptable minimum community standards of quality and safety. The valuation method for determining replacement cost should be documented and included in relevant resettlement planning documents. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons.
Restrictions on land use	Refers to limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of the project. These may include restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, and restrictions on land use within utility easements or safety zones.
Stakeholders	Any and all individuals, groups, organizations, and institutions interested in and potentially affected by a project or having the ability to influence a project.

Transitional allowance	Refers to one-off (cash or other) assistance to be provided for relocation of household members and their possessions (or business equipment and inventory) to be provided for households choosing cash compensation and securing their own replacement housing, including construction of new housing. If planned relocation sites are not ready for occupancy at the time of physical displacement, the plan establishes a transitional allowance sufficient to meet temporary rental expenses and other costs until occupancy is available.
Moving allowance	Refers to one-off (cash or other) assistance to cover relocation costs of household members and their household inventory (or business equipment and inventory)
Vulnerable group/ individuals	Refers to people below the poverty line, the landless, the elderly, women and children, and those who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may be more adversely affected by resettlement than others or who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits.

# 1 INTRODUCTION

## 1.1 Project description

The Government of the Republic of Serbia is making great efforts in its EU path towards green infrastructure and GHG emission reduction by strengthening LGSs capacity to execute municipal funds.

The World Bank (WB) is considering the proposed ‘Serbia Local Infrastructure and Institutional Development Project’ (LIID) that is designed to support the Government of Serbia to increase efficiency, inclusiveness, and sustainability of LSG infrastructure service delivery, i.e. to improve LSGs’ operational performance, financial sustainability and capacity to plan and deliver green and resilient infrastructure service.

This is planned to be implemented through three separate but interlinked components:

Component 1. **Rebuilding Better,**

Component 2. **Strengthening PFM and asset management systems at LSG level,** and

Component 3. **Project management and capacity building.**

Activities under the project are planned to: (1) Support greening of infrastructure, (2) Improve service delivery, (3) Enhance the Policy Framework for Infrastructure Financing, (4) Strengthen PFM and asset management systems, and (5) Establish institutional set up that will enable successful implementation of the project and equipping LSGs with capacities to perform their infrastructure related functions in a sustainable manner.

The LIID project will be implemented across the country, but the scope and exact locations of the interventions are yet to be determined. All works are envisaged to be carried out within the scope of existing infrastructural footprint (with the possibility of minor expansion that can result in land acquisition).

The eligible sub-projects will have to be classified as green per the definition included in the POM and the type of projects anticipated to be financed are: local roads rehabilitation and upgrade to incorporate bike paths, closure of the local roads, and transformation to pedestrian zones and green public spaces, shifting from diesel-run public transport to natural gas or electric, the substitution of old public lighting with EE bulbs, etc. There will be no water supply and wastewater-related projects neither sub-projects related to solid waste disposal.

## 1.2 Justifications to develop a Resettlement Policy Framework

The envisaged eligible sectors for Investments under Component 1 of the LIID project are transport, energy, solid waste separation, and public spaces. Although project activities will be implemented countrywide, neither the exact location nor specific interventions to be supported are specified at this time.

Considering the nature of the project, it can be presumed that the interventions will not cause large land take impacts. Mostly, small-scale impacts for spot widening in urban areas are expected. Furthermore, minor impacts on livelihood are possible (e.g. relocation of formal and informal kiosks or stands). Hence, the World Bank's Environmental and Social Standard 5 on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement is relevant for the Project

Resettlement resulting from Project activities is not expected.

In order to address the aforementioned risks, the borrower has prepared a Resettlement Policy Framework (RPF) to establish resettlement principles, organizational arrangements, and design criteria to be applied to subprojects, and to mitigate potential resettlement impacts.

Given that the project is a program that will finance infrastructure sub-projects in the local governments all over Serbia and thus the exact projects are not known as well as the concrete impacts, site specific RAPs cannot be prepared at this moment, therefore the RPF is prepared.

This Resettlement Policy Framework (RPF) was prepared by the Ministry of Construction, Transport and Infrastructure (MCTI), in line with the WB Environmental and Social Framework (ESF) comprising the 10 Environmental and Social Standards, specifically ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement.

If the screening procedure determines the ESS5 as relevant, a site-specific Resettlement Action Plan (RAP) will be developed for each respective sub-project. The RPF provides specific guidance for the preparation of site-specific RAPs. The RPF will be disclosed, consulted, and cleared by the Bank prior to Project Appraisal.

## 1.3 Fundamental principles guiding resettlement

This RPF provides overarching and binding principles to be applied in all cases of physical resettlement, economic displacement and all other adverse social impacts caused by LIID project implementation and land acquisitions needs. These principles shall govern all actions of the PIU and its representatives, contractors, all other state and local institutions involved in the Project implementation.

The fundamental principles guiding land acquisition and resettlement under the LIID Project are:

- If possible, all resettlement should be avoided by exploring all viable alternatives during Project design and selection of alternatives.
- If avoidance is not possible, adverse effects should be rendered to the bare unavoidable minimum.
- When unavoidable adverse effects and social impact occurs, all loss of property shall be compensated at the value of replacement costs and PAPs livelihood restored at least to the level before the start of investments that cause such loss or improved.
- Forced eviction is prohibited. This however does not prevent action by the Government to remove a person who continues to occupy land upon completion of the legal process of eminent domain or compulsory acquisition. Eviction is not considered to be forced eviction if it conforms to national law, including compliance with, and completion of, all relevant legal and administrative procedures, including appeals processes; complies with all the relevant requirements of ESS5, and is carried out in a way that respects basic principles of due process.
- PAPs will be assisted in all phases of the Project in their effort in livelihood restoration and living standards in real terms to pre-displacement level or to level prior to the start of Project implementation that cause such losses, whichever is higher.
- Negotiated settlements with affected persons are encouraged by this RPF prior to formal expropriation with the goal to help avoid administrative or judicial delays, and to the extent possible to reduce the impacts on affected persons.
- Resettlement must be managed in accordance with national applicable laws, ESS5 and accepted international good practices. Where gaps exist, more stringent provisions will prevail. Fundamentally, rules and policies that benefit the PAPs most will always prevail.
- Project PIU will be involved in all resettlement activities and at the earliest stage possible in the project design, in order to provide cost-effective, efficient and timely implementation of principles and objectives set by this RPF, as well to promote innovative approaches for improving the livelihoods and standards of living of those affected by involuntary resettlement.
- The Project will improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure.
- Special support will be provided to vulnerable groups during resettlement process, as well as during implementation of all phases of the Project according to their specific vulnerability.
- The Project will ensure a gender sensitive approach by inclusion of women, part of affected households, in all public consultation and discussions on specific mitigation measures. All activities in this RPF will aim to be gender tailored, with the goal to empower women and provide with the possibility to participate in mitigation measures provided for resettlement impact. The documentation for ownership or occupancy, such as title deeds and lease agreements (including the bank accounts established for payment of compensation), will be issued in the names of both spouses, if the expropriated assets are part of marital property of both spouses. Other resettlement assistance, such as skills training, access to credit and job opportunities will be made equally available to men and women and adapted to their needs.
- Activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.

- Sub-project specific Resettlement Action Plans (RAPs), and other resettlement instruments as appropriate, will be prepared, publicly disclosed and consulted on before final approval.
- Activities under the Project causing physical or economic displacement are not allowed to commence before RAPs are adopted to allow affected persons and stakeholders to participate in Project development, planning and implementation of resettlement programs.
- As part of the preparation of site-specific RAP and before any civil works that can cause relevant physical or economic displacement, a Grievance Mechanism (GM) accessible to affected people will be developed per this RPF. During the Project implementation and resettlement cycle, stakeholders will be provided with full information about their grievance rights, possibilities and procedures. All grievances will be considered during Project implementation and resettlement activities.
- All resettlement activities should be conceived and conducted as sustainable projects by providing sufficient investment resources to enable principles and goals of resettlement defined by this RPF and RAPs to be fully achieved.

## 1.4 Objectives of the RPF

The main objective of this RPF is to define rules, principles, procedures, actions, organizational structures and capacity requirements during Project related resettlement, if such should be required, and to minimize and mitigate the loss of private lands and non-land assets, and resultant loss in livelihoods for affected people. It provides the framework for individual RAPs to be prepared under the Project.

RPF specific objectives are to:

- provide procedures for due diligence and screening for applicability of ESS5;
- classify RS legal solutions in the events of involuntary resettlement, relocation and loss of assets, including legal and administrative procedures and assessment of compensation to be paid for loss of assets;
- compare them to WB ESS5 resettlement policies and international good practices; and provide the way to bridge the gaps, if any;
- identify key institutions of RS, besides the PIU, involved during the LIID Project implementation, including especially legally authorized state institutions implementing the procedures and safeguards of involuntary resettlement process;
- design monitoring and evaluation criteria in order to provide compliance with ESS5 and international good practices;
- present eligibility criteria and compensation entitlement matrix according to type of loss assets;
- define the basic process of identification and evaluation of affected assets and the value of compensation to replace the loss of assets;
- provide instruments for prompt and effective compensation at full replacement cost for loss of assets or access to assets;
- develop mitigation principles, including fundamentals in order to minimize impacts on PAPs during Project implementation, including mitigation guidelines measures provided for vulnerable groups and women;

- present a Project Grievance Mechanism (GM) to provide people who believe are adversely affected by the project, an avenue to raise issues and concerns, define grievance process and complaint rights, bodies and procedures available to PAPs during the whole course of Project implementation, including feedback reporting;
- describe and provide directions for preparation, approval procedure, outlines and implementation process of RAPs or other involuntary resettlement instruments in accordance with ESS5, as relevant;
- specify requirement of public disclosure, disclosure of documents, public and local community involvement in all phases of the Project, including RPF and RAPs disclosure and process;
- establish a gender-sensitive guidelines framework for resettlement in order to determine differential impacts since economic and social disruption do not result in equal hardship for women and men;
- specify internal monitoring activities during all phases of Project implementation, especially regarding resettlement issues, safeguarding legal and under this RPF defined process, including reporting and evaluation of the resettlement process and external monitoring and evaluation;
- specify the process of keeping a project Stakeholder Engagement Log (SEL) by the PIU.

## 2 LEGAL FRAMEWORK

### 2.1 National legal framework influencing resettlement

#### Constitution of Republic of Serbia<sup>1</sup>

Passed in 2006 (the constitution was approved in the constitutional referendum of 2006, held from the 28-29th of October. It was officially proclaimed by the National Assembly of Serbia on November 8, 2006), Constitution of RS proclaims the rule of law and social justice, principles of civil democracy, human and minority rights and freedoms, and commitment to European principles and values.

Article 58 generally acknowledges guarantees of peaceful tenure of a person's own property and other property rights acquired by law. It states that right of property may be revoked or restricted only in public interest established by law and with compensation which cannot be less than market value. It is important to note that the Constitution of RS prohibits the payment of a compensation less than the "market value", but allows the payment over the established market value, which is an important provision for bridging gaps between Serbian laws and WB resettlement policies, as will be presented later in this document. The provisions of the Constitution also don't differ property (buildings etc.) constructed without a construction permit, a practice that became common during last 30 years in RS. The Constitution further proclaims that all human rights (including the right of property) and minority rights guaranteed by the Constitution shall be implemented directly.

Furthermore, Article 16 states that all general accepted rules of international law and ratified international treaties shall be an integral part of the legal system in the Republic of Serbia and applied directly. This provision allows direct implementation of WB OP 4.12. resettlement policies, provisions of this RPF and individual RAPs next to existing Serbian laws, and most important ways of bridging gaps between them if those WB resettlement policies and this RPF is considered to be an integral part of any potential Loan or Sponsor agreement with the WB, once approved, signed and ratified by the Parliament.

#### The Law on Public property<sup>2</sup>

The law on public property ("Official Gazette of the RS, No. 72/2011, 88/2013, 105/2014, 104/2016 - other law, 108/2016, 113/2017 and 95/2018) stipulates fundamental provisions on public ownership and other proprietary rights of the State, autonomous provinces and local self-government units.

#### The Law on Foundations of Property Law Relations<sup>3</sup>

The Law on foundations of property law relations ("Official Gazette of the SFRY", No. 6/80, 36/90, "Official Gazette of the FRY", No. 29/96 and "Official Gazette of the RS", No.115/2005) stipulates fundamental provisions of property relations, including ownership rights substance, subjects of ownership rights, co-ownership and joint ownership rights, acquiring the right of ownership, right on yields emanating from owned thing, possession rights, ownership acquired by adverse possession, ownership relations deriving

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<sup>1</sup> <http://www.ustavni.sud.rs/page/view/139-100028/ustav-republike-srbije>

<sup>2</sup> [https://www.paragraf.rs/propisi/zakon\\_o\\_javnoj\\_svojini.html](https://www.paragraf.rs/propisi/zakon_o_javnoj_svojini.html)

<sup>3</sup> [https://www.paragraf.rs/propisi/zakon\\_o\\_osnovama\\_svojinskopravnih\\_odnosa.html](https://www.paragraf.rs/propisi/zakon_o_osnovama_svojinskopravnih_odnosa.html)

in situations when structures was built on someone else's land, protection of ownership rights, protection of possession, cessation of ownership rights, etc. Most important provisions of this Law are considerably influencing the eligibility criteria in the resettlement process and application of WB standards (such as the provisions on ownership rights acquired by construction (for informally constructed structures), provisions on the legal assumptions of joint spouse property on property acquired during marriage etc.

#### The Law on Planning and Construction<sup>4</sup>

The Law on planning and construction "Official Gazette of the RS", No. 72/09, 81/09 (Corrigendum), changed by Constitutional Court of RS ruling 64/10 (CC), 24/11, 121/12, 42/13 (CC), 50/13 (CC), 98/13 (CC), 132/14 145/14, 83/2018, 31/2019 and 37/2019- other law and 9/20) governs the following issues: the conditions and modalities of spatial planning and development, the development of general and detailed regulation plans, the development and use of construction land and the construction of facilities, predominant use of land when the land has multiple uses, public use of land and other issues of significance in the development of space, landscaping and use of construction land and the construction of facilities.

#### The Law on Legalization of Structures<sup>5</sup>

The Law on legalization of structures ("Official Gazette of the RS ", No. 96/15 dated November 26, 2015, 83/18 and 81/20- CC ruling) regulates the conditions, procedure and manner for legalizing buildings, parts of buildings, auxiliary buildings and other buildings constructed without a building or construction permit. The custom of constructing complete buildings (houses, shops, even apartment buildings), or adding auxiliary buildings to existing, legal building (garage, additional floors on houses or rooms) without a construction permit became quite usual during the past 30 years. The governments over the years always maintained the intention to legalize all illegally constructed buildings, if constructed on own land and/or with consent of the owner, but most of the buildings have not yet been legalized. It is without any doubt that if the Project will have any resettlement impact, some of the assets will be buildings without building permits so provisions of this law can be important, but in those cases, the RPF, in terms of eligibility, shall prevail if more stringent.

#### The Law on Extra-Judicial Proceedings<sup>6</sup>

The Law on Extra-Judicial Proceedings ("Official Gazette of SRS", No. 25/82 and 48/88, amended "Official Gazette of the RS" No 46/95, 18/2005, 85/2012, 45/2013, 55/2014, 6/2015 and 106/2015) defines the rules by which courts decide on personal, family, property-related and other rights and legal interests, which are resolved in extra-judicial proceedings, pursuant to the Law. In accordance with this Law, the court in extra-judicial proceedings determines compensation for an expropriated property after it establishes the important facts and approves a decision which defines the type and amount of compensation. According to this Law, participants may conclude an Agreement about type and amount of compensation, and the court will then base its decision on their agreement, if the court finds that the agreement is not contrary to mandatory regulations. Following ESS5 proclaimed standards and principles of resettlement, endorsed by this RPF in Chapter 1.4, RS institution in charge of the land acquisition

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<sup>4</sup> [https://www.paragraf.rs/propisi/zakon\\_o\\_planiranju\\_i\\_izgradnji.html](https://www.paragraf.rs/propisi/zakon_o_planiranju_i_izgradnji.html)

<sup>5</sup> [https://www.paragraf.rs/propisi/zakon\\_o\\_ozakonjenju\\_objekata.html](https://www.paragraf.rs/propisi/zakon_o_ozakonjenju_objekata.html)

<sup>6</sup> [https://www.paragraf.rs/propisi/zakon\\_o\\_vanparnicnom\\_postupku.html](https://www.paragraf.rs/propisi/zakon_o_vanparnicnom_postupku.html)

process will be obliged to strive to reach a negotiated settlement with previous owners of property, in accordance with the Expropriation law prior to the administrative proceedings (as will be described in the next Chapter 2.2) or pursuant to this Law.

### The Law on Administrative procedures<sup>7</sup>

The law currently in effect was adopted in 2016 ("Official Gazette of RS No18/16 and authentic interpretation of the law - 95/2018 - authentic interpretation") regulates the manner in which state institutions must act when deciding on rights, obligations or legal interests of individuals, legal persons or other parties, within the framework of administrative procedures. This Law administratively governs the expropriation process.

### The Law on State Survey and Cadaster<sup>8</sup>

The Law on State Survey and Cadaster ("Official Gazette of the RS" No 72/2009, amended on 18/2010, 65/2013, 15/2015 – CC ruling, 96/15, 47/17, 113/17-other law, 27/18 – other law, 41/18 - other law and 9/20-other law) regulates the professional activities and affairs of the state administration related to land, buildings and other structures survey, real estate cadaster, records and registration of property, registration of possession, registration of illegal buildings and buildings legalized according to provision of the latest Building Legalization Law of RS, utilities cadaster, basic geodetic works, address register, topographic and cartographic activities, valuation of real estate, geodetic and cadastral information system.

## 2.2 Expropriation process in Serbia

The Law on Expropriation<sup>9</sup> (passed in 1995 and enacted on January 1, 1996, ("Official Gazette of the RS" No 53/95, ...20/2009, 55/2013-CC ruling and 106/2016 – authentic interpretation) enables government institutions to acquire property for projects that are deemed to be of public interest, while protecting the interests of all persons with legal title, whose assets are to be expropriated. The Law on expropriation does not use the term "involuntary resettlement" (as opposed to ESS5), but instead uses the term "expropriation" and is based on the Governments eminent domain power. The law also enshrines the principle of fair compensation according to "market price" of the property instead of the "replacement cost" used in WB ESS5.

### *Key provisions of the Expropriation Law*

These are key provisions of the Law of Expropriation:

- Immovable assets (by Law generally defined as land, buildings and other construction structures) can be expropriated only after declaring public interest by law, or decision of the Government of RS. Public interest can be declared if construction of facility is intended for public utility infrastructure, education, public health, social welfare, culture, water management, sports, transport, power, national defense, local/national government needs, environmental protection, protection from weather-related damage, exploration for, or exploitation of, minerals, land needed for resettlement of people holding

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<sup>7</sup> [https://www.paragraf.rs/propisi/zakon\\_o\\_opstem\\_upravnom\\_postupku-2016.html](https://www.paragraf.rs/propisi/zakon_o_opstem_upravnom_postupku-2016.html)

<sup>8</sup> [https://www.paragraf.rs/propisi/zakon\\_o\\_drzavnom\\_premeru\\_i\\_katastru.html](https://www.paragraf.rs/propisi/zakon_o_drzavnom_premeru_i_katastru.html)

<sup>9</sup> [https://www.paragraf.rs/propisi/zakon\\_o\\_eksproprijaciji.html](https://www.paragraf.rs/propisi/zakon_o_eksproprijaciji.html)

mineral-rich lands, property required for certain joint ventures, and housing construction for the socially disadvantaged.

- The Beneficiary of Expropriation (BoE) can be the Republic of Serbia, autonomous province Vojvodina, cities, the city of Belgrade, municipalities, public funds, public companies, companies that are established by public companies, as well as for companies with majority state capital founded by the above-mentioned state institutions.
- Expropriation can be complete or incomplete. Complete expropriation allows the BoE to obtain ownership over the expropriated property, while the ownership by the owner and other rights on that property cease to exist. Incomplete expropriation provides the BoE with specific easement rights on the land and structures, as well as the lease of the land for a definite period of time (not longer than three years in both cases). At the end of the easement or lease period full ownership rights over property are returned to the owner, and must be restored to condition prior to expropriation.
- Owners of immovable property partially expropriated are entitled to request expropriation of the entire property and the corresponding compensation, in case if expropriation deteriorated the economic situation of the property owner or made the remaining part of property useless or difficult to use - unviable. This request under the Law may be filed within two years from the completion of construction of the facility (for which expropriation was conducted), or within two years from the completion of works.
- As a general rule, compensation for expropriated property is offered and paid in cash, if the Law doesn't state otherwise. But according to the same law, in the case of expropriation of agricultural land for the construction of line infrastructure facilities (roads, highways), suitable agricultural land of the same type and quality, or the corresponding value in the area and its surrounding area will be offered to owners of expropriated property. If the BoE is not able to offer appropriate agricultural land, the compensation is determined in cash. This is as a rule in partial conformity to the WB OP 4.12. and will be further addressed in the gap analysis.
- To lessee of socially or state-owned flats, or to persons with occupancy rights in expropriated residential building or apartment, BoE shall provide tenure rights (use, lease or occupancy rights) of same kind of another equivalent, social or state-owned property in the vicinity.
- The BoE will not be allowed to take possession of the Expropriated property before the day of legal validity of the decision on compensation, or before the date of conclusion of an agreement on compensation for expropriated property, unless the Law provides otherwise. But in cases of expropriation due to construction of facilities for power production, transmission or distribution of electricity, or for the construction of line infrastructure facilities, at the request of the BoE the possession of the expropriated property can be allowed before on the basis of the final decision on expropriation, provided that the BoE defined the basis for compensation under the provisions of the Expropriation law.

### *The Expropriation process*

This is a step-by-step presentation of the expropriation process, as defined by the Expropriation law.

- The General assembly by enacting a law, or GoRS by its decision declares public interest for a certain development project. Public interest for expropriation can be declared only if there is a corresponding planning document. The request for the establishment of public interest for expropriation may be submitted by a legal entity that, under the provisions of this Law, can be the BoE. The Government shall issue its decision within 90 days.

- Expropriation process starts when the BoE submits the expropriation request to the relevant municipality. The request, amongst other data, must contain exact specification of owners and properties for which expropriation is proposed, and evidence on secured funds within the budget, or arrange for a bank guarantee, securing the payment of compensation, in accordance with the regulations governing public finances.
- Prior to issuing a decision on expropriation, the relevant authority shall hold a hearing allowing the owners of immovable property to voice all facts of importance for the expropriation of property. If all conditions are met, the expropriation decision will be issued.
- The BoE is obligated to submit to the municipal administration a written compensation offers within 15 days of the legal validity of expropriation resolution based on evaluation of assets made by proper authority.
- The municipal authority will without delay supply a copy of the offer for compensation to the owner of the expropriated property and will collect information that may be of importance for the compensation from administrative and other institutions and organizations. The compensation agreement cannot be in contradiction to the Law on Expropriation provisions.
- If Compensation agreement is not reached within two months from the date of legal validity of Expropriation resolution, municipal administration shall pass without delay all documents to the competent municipal court to determine and decide on the compensation. The process can also be initiated by the owner of the Expropriated property before the same court.

[The Law on Special Procedures for the Implementation of the Project of Construction and Reconstruction of line Infrastructure Structures of Particular Importance to The Republic of Serbia](#) (“Official Gazette of RS” No. 9/20). The law provides inter alia particular conditions to the Law on expropriation governing land acquisition for construction of linear infrastructure objects in the road, rail, water and air sector with the potential to beneficially impact the overall development of the Republic of Serbia. The law is infused with the intention of efficiency cutting across the permitting and land acquisition procedure. This Law is not relevant to the Project.

### 2.3 WB standards on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement (ESS5)

All WB supported projects involving land acquisition, restrictions on land use and involuntary resettlement are subject to ESS5<sup>10</sup>. The relevance of ESS5 is established during the due diligence process and environmental and social assessment described in ESS1.

The ESS5 also applies to facilities or activities identified as “Associated Facilities”. Associated facilities are facilities or activities that are not funded as part of the project and, in the judgment of the Bank, meet all three of the following criteria: (a) are directly and significantly related to the project; and (b) carried out, or planned to be carried out, contemporaneously with the project; and (c) are necessary for the project to be viable and would not have been constructed, expanded or conducted if the project did not exist.

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<sup>10</sup> <https://pubdocs.worldbank.org/en/837721522762050108/Environmental-and-Social-ramework.pdf#page=29&zoom=80>

The policy describes the procedures and instruments for mitigating negative economic and social issues that may arise. ESS5 is relevant in all cases when land acquisition or restrictions on land use may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood), or both.

The overall objectives of ESS5 are the following:

- To avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring project design alternatives.
- To avoid forced eviction.
- To mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by: (a) providing timely compensation for loss of assets at replacement cost and (b) assisting displaced persons in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.
- To improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure.
- To conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant.
- To ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.

## 2.4 GAP analysis

The objectives of ESS5 are clear in their aim to avoid involuntary resettlement caused by land acquisition measures wherever feasible and if not possible to apply such compensation principles for impacts on all PAPs and to restore their livelihoods at least to pre-project level. In general, the institutional framework for expropriation in Serbia is not completely in compliance with the ESS5, and the most evident differences relate to the requirements to compensate at replacement cost for land vis-à-vis the national requirement of compensating land at market value without payment of taxes and fees as part of compensation package. Additionally, the national law includes decrease of value for structures by depreciation and it does not recognize informal users, occupiers and settlements. It does not require a project specific grievance mechanism, a social impact assessment, gender disaggregated data, assistance to vulnerable persons and has limited access to public consultation process.

The table below provides an overview of specific gaps between the national expropriation/land acquisition law vis-à-vis ESS5 and the recommendations for remedy and/or mitigation in order to comply with the ESS5 requirements.

**Table 1. GAP analysis**

Subject	Law on Expropriation	WB ESS5 and good international resettlement standards	Gaps and measures for bridging the gaps
<b>Resettlement instruments, census, and social impact assessment</b>	The only documents prepared are part of construction plans, the Expropriation study. It is simply a database of land impacted and formal owners without tackling socioeconomic issues.	Resettlement plans such as RPF or RAP should be prepared proportionate to the risks and impacts associated with the (sub)projects. Census and socioeconomic survey should be conducted to identify (i) PAP, (ii) their demographic and socioeconomic characteristics, (iii) inventory of assets affected, (iv) magnitude of losses and extent of displacement, and (v) information on vulnerable groups or persons.	This RPF and a site-specific RAP, if necessary, will be developed per ESS5, in addition to national legal requirements. Census and socioeconomic survey conducted according to WB requirement in addition to requirements under national legislation
<b>Avoidance and minimization of involuntary resettlement</b>	There are no specific requirements to minimize involuntary resettlement	Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs. The Borrower will consider feasible alternative project designs to avoid or at least minimize displacement	The PIU will seek to minimize physical and/or economic displacement. All alternatives and measures explored to avoid or minimize negative impact will be recorded in the internal periodical (monthly or quarterly) report required by the WB.
<b>Public consultations</b>	The formal owners are contacted only at the very process of expropriation. There is no requirements for public consultation apart from the spatial planning phase under the Planning and construction law.	Meaningful consultations with affected persons and communities, local authorities, and other stakeholders need to be carried out during the preparation and implementation of resettlement instruments.	National legislation does not require public consultation with affected persons and communities at the extent and reach of those envisaged by ESS5. The PIU shall disclose RPF and RAP (if applicable) to PAPs and stakeholders and conduct consultation meetings as described in this RPF.
<b>Cut-off date for eligibility and census</b>	All investments made by owners after receiving information about the Expropriation proposal will not be compensated, except the necessary expenses.	Normally, the cut-off date is when census begins but could also be the date the project area was delineated, prior to the census, provided that there has been an effective public dissemination of information on the area delineated, and systematic and continuous dissemination subsequent to the delineation to prevent further population influx	The cut-off will be any such date when the official request for determination of the Public Interest is sent to relevant authority. This will be publicly announced and published by the BoE in local newspapers, informing all owners and users of the initiation of the expropriation process, the cut-off date and the contact persons who may be contacted by PAPs for further information. This information will include posted warnings that persons settling in the project area after the cut-off date may be subject to removal.
<b>Eligibility for Compensation</b>	Only formal title holders and holders of rights are recognizable under national laws (factual ownership).	Besides formal owners, ESS5 also recognizes those who have no recognizable legal right or claim to the land they are occupying on Cut-off-Date are also eligible for rehabilitation assistance and compensation for loss of non-land assets at replacement value.	Compensation and assistance to PAPs without legal right or claims will be made per principles and entitlements provided in the entitlement matrix of this RPF, if they are present in the project affected area at the time of the cut-off date. Asset inventory and valuations of their affected properties will be conducted and all measures will be recorded in the internal periodical (monthly or quarterly) project progress report.

Subject	Law on Expropriation	WB ESS5 and good international resettlement standards	Gaps and measures for bridging the gaps
<b>Valuation methodology for compensation for property</b>	Compensation for loss of properties and assets should be at least equal to the market price. Depreciation are deducted from compensation (or included by decreasing the market price value appraisal). The Law does not specifically mention compensation for the costs of any registration fees and transfer taxes.	Compensation should be equal to full replacement cost without depreciation.	Compensation and assistance to PAPs will be at least equal to replacement value as provided in the entitlement matrix of this RPF
<b>Escrow accounts</b>	There is no requirement to have an escrow account, but as a principle compensation is always available	If there are significant difficulties related to the payment of compensation to particular affected persons, on an exceptional basis, with prior agreement of the Bank, the PIU may deposit compensation (plus contingencies) into an interest-bearing escrow or other deposit account.	Compensation funds as required by the RAP/RPF including contingencies, can be deposited into interest-bearing accounts, if necessary, however only under exceptional circumstances and with prior approval from the WB.
<b>Taking possession of land and related assets</b>	The expropriated land and related assets can be taken into possession when the agreement on compensation is signed or the decision on compensation, when determined by the judicial authorities, becomes legally binding. However, if BoE can prove urgency needs or damages if possession is not allowed, administrative authority in charge of expropriation can allow taking possession prior to compensation payment, which in practice happens often.	Taking possession of assets only after full payment of compensation is a rule. In certain cases there may be significant difficulties related to the payment of compensation to particular affected persons, for example, where repeated efforts to contact absentee owners have failed, where project-affected persons have rejected compensation that has been offered to them in accordance with the approved plan, or where competing claims to the ownership of lands or assets are subject to lengthy legal proceedings, Borrower may be allowed to take possession of the property but only with prior consent of the WB and after showing adequate funds has been placed in the escrow account.	Taking of land and related assets after payment of compensation (or depositing to an escrow account as applicable) shall apply as a rule. If the offer is rejected, the land and related assets can be taken once the funds equal to the offered amount plus 10% have been secured and earmarked in a designated interest bearing escrow account, and with prior approval of WB, and the MoF has endorsed such taking by rendering case to case based decisions in compliance with the Law.
<b>Transitional Support</b>	The Expropriation Law doesn't envisage any form of transitional allowance.	Displaced persons should be receiving support after physical displacement for a reasonable duration of time likely to be	The PIU will ensure that displaced persons receive transitional support per entitlement of this RPF. <sup>11</sup>

<sup>11</sup> Physical displacement of persons in LIID project is unlikely.

Subject	Law on Expropriation	WB ESS5 and good international resettlement standards	Gaps and measures for bridging the gaps
		needed to restore their livelihood and standards of living.	
<b>Loss of benefits and income for workers and employees</b>	No legal provision. Such loss shall be compensated subject to a court decision on merits and amount payable.	In addition to compensation at full replacement cost and transitional support, displaced persons must be assisted in their efforts to improve, or at least restore, their livelihoods and living standards.	Each site-specific RAP shall include measures and design adequate support and assistance commensurate to the impact, as a way to bridge the gap, and all measures must be demonstrated and documented to the satisfaction of the WB.
<b>Gender aspects</b>	Men and women have equal rights in the Republic of Serbia, including the possibility to have formal legal rights on properties.	Women's perspectives must be obtained through consultation and their interests factored into all aspects. Documentation of ownership or occupancy and compensation should be issued in the names of both spouses wherever possible, and other resettlement assistance, such as skills training, access to credit, and job opportunities, should be equally available to women and adapted to their needs.	Particularly in some rural areas, women's participation in consultations may be limited. Women only consultation may be held as relevant. Documentation of ownership or occupancy and compensation should be issued in the names of both spouses, and other resettlement assistance, such as skills training, access to credit, and job opportunities, should be equally available to women and adapted to their needs.
<b>Grievance Mechanism (GM)</b>	There is no requirement to have grievance mechanism apart from the procedural administrative institutional oversight	The Borrower will establish procedures to monitor and evaluate the implementation of the plan and will take corrective action as necessary during implementation to achieve the objectives of the ESS. The extent of monitoring activities will be proportionate to the project's risks and impacts. For all projects with significant involuntary resettlement impacts, the Borrower will retain competent resettlement professionals to monitor the implementation of resettlement plans, design corrective actions as necessary, provide advice on compliance with the ESS and produce periodic monitoring reports.	The PIU shall establish a Project Grievance Mechanism as described in the RPF scaled to the risks and adverse impacts of the project. Appropriate, affordable (free) and accessible procedures to address concerns and grievances will be established; such grievance mechanisms should consider the availability of judicial recourse and community and traditional dispute settlement mechanisms.
<b>Monitoring &amp; Evaluation</b>	No specific monitoring procedures are required other than procedural administrative institutional oversight	The Borrower is responsible establishing procedures to monitor and evaluate the implementation of the plan and will take corrective action as necessary during implementation to achieve the objectives of the ESS.	The PIU will be responsible for monitoring in line with the requirements set out in the ESS, this RPF and any subsequent RAPs. All monitoring and evaluation measures must be demonstrated and documented to the satisfaction of the WB and will be recorded in the internal periodical (monthly or quarterly) project progress report. Affected persons will be consulted during the monitoring process as described in the Chapter of this RPF about the SEL.



## 3 RESETTLEMENT COMPENSATION STRATEGIES APPLICABLE TO THE LIID PROJECT

### 3.1 Key principals

This RPF committed key principles which will govern all land acquisition and resettlement activities by the PIU, including for Associated Facilities (in the meaning as assigned in this RPF), and be incorporated into all site-specific RAPs. The principles for the impacts identified could be briefly summarized as follows:

- Involuntary resettlement will be avoided, or if not possible, minimized by exploring feasible alternatives in sub-project designs.
- Resettlement and compensation of Project-Affected People will be carried out in compliance with Serbian legislation and World Bank's ESS5, where the more stringent requirement will take precedence.
- All Project Affected People (PAP) will be compensated for their losses at replacement cost to allow restoration to at least pre-displacement level.
- Taking of land and related assets may occur once payment of compensation is completed (this includes depositing the amounts of compensation to escrow accounts, or accounts alike in justified situations and cases).
- Differentiated measures will be adopted and carried out so that adverse impacts do not fall disproportionately on the disadvantaged or vulnerable groups/individuals, if any.
- Besides mandatory stakeholder engagement and public consultations PIU will keep an open dialog channels through-out the full life of the (sub-)projects with stakeholders, PAPs and the impacted local communities.
- The RAPs implementation and outcomes will be monitored and evaluated by the PIU, and all measures must be demonstrated and documented to the satisfaction of the WB, and be recorded in the internal periodical (monthly or quarterly) report required by the financing institution.

### 3.2 Estimated displacement impacts

As sub-projects are not yet developed the scale, magnitude and type of displacement impacts cannot be estimated.

Considering the nature of the project, it can be presumed that the interventions will not cause large land take impacts. Mostly, small-scale impacts for spot widening in urban areas are expected. Furthermore, minor impacts on livelihood are possible (e.g. relocation of formal and informal kiosks or stands). Resettlement resulting from Project activities is not expected.

Once sub-projects are known, they will undergo a detailed socio-economic baseline and a screening procedure to assess the potential scale and scope of the loss of private assets and determine the potential relevance of the ESS5 for each selected sub-project. If the screening procedure determines the ESS5 as relevant, a site-specific Resettlement Action Plan (RAP) will be developed for each respective sub-project.

### 3.3 The cut-off date

The cut-off date for compensation eligibility will be established to prevent land and asset speculations, influx and encroachment to the project area. This will correspond to the date on which the request for determination of Public Interest for expropriation is submitted to the relevant authority. At the same time the household/assets survey will commence. Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. Similarly, fixed assets (such as built structures, crops, fruit trees, and woodlots) constructed after the cut-off date will not be compensated.

A moratorium notices together with the announcement of the beginning of the household/asset survey together with appropriate dissemination of the information (including the closing date) to all potentially interested parties, including illegal/informal occupant will be ensured. Public Disclosure that the request has been submitted, together with the moratorium notice shall be publicly announced by using the:

- website of the PIU (<http://www.mgsi.gov.rs/>)
- websites and notice boards of affected local municipalities, and
- through printed media announcements – at least 15 days before the cut-off date, to ensure that people are beforehand well informed about the cut-off date ,
- notice boards on the future construction sites.

Any question, concern or request for clarification on the effects and consequences of the Cut-off date are to be directed to the project specific Grievance Mechanism via designated channels as provided under Chapter 6.

### 3.4 Eligibility criteria and entitlement matrix

The unit of entitlement is any individual eligible to receive compensation or rehabilitation benefits. Determination of eligibility is in lieu with developing and identifying the census and inventory of all assets impacted by the Project to allow full compensation in line with the Entitlement Matrix. All PAPs identified prior to the cut-off date shall be entitled to compensation, according to the compensation principles of the law, this RPF and ESS5, whereas the more stringent requirements shall prevail.

Project affected persons are defined to include the following categories:

- Project affected persons, with formal title ownership on the land, who lose all or part of their land;
- Project affected persons, with formal title ownership, who have immovable property with or without building permissions on the land to be expropriated;
- Project affected persons with formal title over businesses that are affected by the loss of all or part of the land on which businesses are located;
- Project affected persons with formal title over animal husbandries and agricultural processors that are affected by the loss of all or part of the land on which they are based;
- Project affected persons with formal title of tenancy on private or public land;
- Project affected persons with formal title over land that will be needed during construction on a temporary basis;

- Project affected persons without formal title on affected land or businesses but their livelihoods are directly dependent on the affected land or businesses (e.g., those working on affected agricultural land or working in the affected businesses);
- Project affected persons without formal title of ownership or use but who have established usage of public or private land by investing in immovable objects, crops, woods, trees, fruit bearing trees, vineyards, the age of crops, and the time needed to reproduce them;
- Project affected persons without any formal or recognizable legal right to the property they are occupying prior to the Cut-off date; and
- Any affected community facilities will also be reconstructed or necessary support will be provided for their relation to the community losing access to such common facilities.

### 3.5 Entitlement matrix

The entitlements for different categories of impact and PAPs shall be as per the Entitlement Matrix as adopted in this RPF.

**Table 2: Entitlement Matrix**

Affected Categories	Eligible persons	Entitlement
Agricultural land (partial or complete loss)	Owners with full legal ownership; owners with recognizable legally claim	Replacement land of equal or higher value and similar productivity in direct proximity or in the surroundings of the expropriated land together with all costs of resettlement and administrative fees needed for transfer of ownership rights, if any. /or Cash compensation based on replacement cost including all taxes /and Transitional allowance equal to 3-month minimum wage at country, if needed.
	Lessees with valid documents of the right of lease who cultivates agricultural land pursuant to agreement	Compensation for all improvements on land (such as irrigation, hail protection etc.). Compensation will be paid at replacement cost. /and Moving allowance i.e. costs of equipment relocation and installation /and Offer replacement land for lease, if land was leased from state, or transitional allowance equal to 3 months' minimum wage at country level while identifying a viable alternative location, /and Lost net income during the period of transition (measured based on census survey) /and Transitional allowance equal to 3-month minimum wage at country level, if needed
	PAPs without formal title (users of agricultural land and livelihood is land based)	PAPs without a formal title who were in possession of the cultivated land on Cut-off date will not receive compensation for the land but will be compensated for all investments made on land at replacement cost and will be offered use of other land with safe and long-term agricultural use (lease of state land), or Compensation for the cost of identifying a viable alternative location, /and Moving allowance i.e. costs of equipment relocation and installation /and Lost net income during the period of transition (measured based on census survey) /and Transitional allowance equal to 3-month minimum wage at country level, if needed.
Construction land used for business enterprise, regardless to severity of loss (whether partial or complete loss)	Owners with formal or recognizable title, or users of publicly/state owned construction land, and pre-nationalization owners	Cash compensation at replacement costs, /or At property owner demand, if legal terms are met, replacement land of equal or higher value and similar value in direct proximity or in the surroundings of the expropriated land together with all costs of resettlement and administrative fees needed for transfer of ownership rights, if any, /and Compensation for all investments on land at replacement cost /and Costs of equipment relocation and installation /and Lost net income during the period of transition measured based on census survey /and Transitional allowance and assistance, equal to 3-month minimum wage at country level, if needed
	Lessee with valid documents of the right of lease	Compensation for all investments on land at replacement cost /and Costs of equipment relocation and installation /and Lost net income during the period of transition measured based on census survey /and Replacement land for lease, if land was leased from state, or transition support equal to 3 months' minimum wage at country level while identifying a viable alternative location, /and Compensation for all rent paid in advance, for the period not expired

Affected Categories	Eligible persons	Entitlement
	PAPs without formal title	PAPs without a formal title who were in possession of the land on Cut-off date will not receive compensation for the land but will be compensated for all investments made on land at replacement cost. Moving allowance i.e. Costs of equipment relocation and installation /and Lost net income during the period of transition (measured based on census survey) /and Transitional allowance equal to 3-month minimum wage at country level, if needed
Agricultural or commercial (construction) land becoming economically unviable	Property owners, or users of publicly/state owned construction land	In case the remaining area of land is not viable (viability of land will be assessed on a case to case basis by an independent expert and will take into account economic indicators, and safety and accessibility for human use or occupancy), it can be expropriated upon PAPs request and compensated according to type of property.
Loss of annual crops, that could not have been harvested prior to land repossession	Owners of crops without regard to the legality and types of their tenure rights over the land	Cash compensation at replacement cost. Loss of annual crop will be avoided by adjusting construction schedule
Loss of fruit bearing trees, vineyards and fruit bearing plants	Owners of plants without regard to the legality and types of their tenure rights over the land	The right to collect fruits or lumber /and Cash compensation at replacement cost on the basis of sort, year and productive value, including the value of time needed to produce such crop and net income loss, as well as costs of investment (work and labour force), to plant a new vineyard, orchard or similar, till the moment it reaches the full fructuous potential.
Affected vineyards and orchards not yet fruit bearing		Cash compensation sufficient to re-establish or buy a similar vineyard or orchard, including the value of time needed to reproduce a replacement vineyard or orchard and net income loss.
Wood mass (mature or nearly mature)		The replacement cost determined based on the value of the “wood on the stump” at market value
Forests without mature wood mass		Cash compensation sufficient to re-establish a similar forest, including the value of time needed to reproduce a replacement forest and net income loss.
Nursery not yet yielding		Cash compensation sufficient to re-establish planting material
Buildings used for keeping and raising livestock (sheds, stables, etc.)	Owners of structures used for keeping livestock	Cash compensation at replacement costs, /or At property owner demand, if legal terms are met, appropriate replacement property + costs of resettlement and administrative fees needed for transfer of ownership rights, if any /and Transition support equal to 3-month minimum wage at country level while identifying a viable alternative location, if owner doesn't own alternative location. /and Lost net income during the period of transition (measured based on census survey) /and Transitional allowance equal to 3-month minimum wage at country level, if needed,..

Affected Categories	Eligible persons	Entitlement
Impact on agricultural employees, or processors	Workers, employees	In case of disturbance of income source transition support equal to 3-month minimum wage at country level, /and Training for alternative jobs if possible and if needed /and Priority in employment on the Project, if possible and on a case by case basis (In accordance with social assessment processed in RAPs)
Business structures (shops, offices buildings) etc.	Owners with formal title (including owner with legally recognizable claim)	Cash compensation at replacement costs, including taxes /and Costs of equipment and inventory relocation and re-installation /and Transitional support equal to 3-month minimum wage at country level while identifying a viable alternative location Lost net income during the period of transition (measured based on census survey)
	Lessee operating in the premises under a valid lease contract	Compensation for all improvements on premises (such as reconstruction, refurbishment etc.). Compensation will be paid at replacement cost. /and Costs of equipment and inventory relocation and re-installation, /and Transitional support equal to 3-month minimum wage at country level while and Compensation for the cost of identifying a viable alternative location /and Replacement premises for lease, if premises were leased from state /and Lost net income during the period of transition (measured based on census survey)
	PAPs, owners without formal title (building constructed without building permit on land they own, or land owned by third persons- commonly state owned)	Cash compensation for the building at replacement cost of the structure, including taxes /and Transitional allowance up to 3-month at the value of operation costs including Costs of equipment and inventory relocation and re-installation/ and Compensation for the cost of identifying a viable alternative location
Loss of any non-agricultural business	Owner of business (regardless if formally registered or not as long as the activity is not sanctioned under the law)	Cost of moving, including compensation for immovable inventory and replacement cost of investment. /and Transitional allowance for 3-month of loss of net income during the period of transition (net income measured based on census survey) /and Appropriate level of support for improving the skills if necessary, to restore and/or diversify source of livelihood.
	Workers, employees	If employment is terminated or disrupted due to land acquisition allowance on a one-off basis in the amount of three month's salaries will be paid commensurate with income loss. To be determined on a case to case basis /and Training for alternative jobs if possible. /and Priority in employment on the Project, if possible and on a case by case basis (In accordance with social assessment processed in RAPs)
Loss of buildings (houses, flats) leased and providing source of livelihood	Owner of property	Cash compensation for lost assets at full replacement cost/and Relocation cost (moving allowance) and cash compensation on a one-off basis (transitional allowance, if the rent was the main source of livelihood).

Affected Categories	Eligible persons	Entitlement
Buildings (residential, houses, apartments etc.)	Owner with formal title (including owner with legally recognizable claim)	Cash compensation at replacement costs, /or
	Informal owner - building constructed without building permit on one's own plot of land if subject to legalization	Replacement property of equal or higher value, in direct proximity or in the surroundings of the expropriated property together with all costs of resettlement and administrative fees needed for transfer of ownership rights, if any; /and Payment for relocation costs (moving allowance) and compensation for other costs during relocation i.e. transitional support equal to 3-month minimum wage at country level (transitional allowance).
	Informal owner - building constructed without building permit on one's own plot of land or constructed without building permit on someone else's or state-owned - not eligible for legalization	Cash compensation for the building at replacement cost of the structure /and Provide arrangements to allow them to obtain adequate housing with security of tenure (if they don't own other structures) /and Payment for relocation costs (moving allowance) and compensation for other costs during relocation i.e. transitional support equal to 3-month minimum wage at country level
	Lessee of the affected property	Payment of moving allowance and compensation for other costs caused by relocation and cash compensation i.e. transitional support equal to 3-month minimum wage at country level.
	Lessee or person with occupancy right to state owned flat	Provide lease or occupancy rights of same kind of another equivalent, social or state-owned property in the vicinity. If equivalent state or socially owned flat is not available in the vicinity, PAP will be offered state or social owned flat more remote from the area of expropriated flat, /and Payment for relocation costs (moving allowance) and compensation for other costs during relocation i.e. transitional support equal to 3-month minimum wage at country level /and Transitional assistance suited to the needs of each group of displaced persons.
Publicly or state-owned buildings, or part of buildings	Informal users, squatters	Provide arrangements to allow them to obtain adequate housing with security of tenure (if they don't own other structures) /and Payment for relocation costs (moving allowance) and compensation for other costs during relocation and cash compensation on a one-off basis (transitional allowance). /and Transitional assistance suited to the needs of each group of displaced persons.
Loss of access to usual natural resources and buildings	Communities, businesses, individuals or households	Replacement of public ownership or conveniences (roads and similar) and provide access to equal conveniences or services. Measures will be implemented to either allow continued access to affected resources or to provide access to alternative resources with equivalent livelihood-earning potential and accessibility. Where community property resources are affected, compensation associated with restrictions on natural resource usage may be collective by nature

Affected Categories	Eligible persons	Entitlement
Impacts caused by temporary occupancy of land and any damages to the property	Property owner (including owner with legally recognizable claim)	Market price of lease for duration of the occupancy. The land must be returned to original condition. Improved quality of the land due to top soiling work should not be removed, except if agreed differently with PAP. /and Replacement cost in accordance with this matrix for affected crops, orchards, nurseries etc. /and Compensation for any damages to the property evaluated at replacement costs.
Established permanent easement rights on the property (i.e. right of way over land or property)	Property owner (including owner with legally recognizable claim)	Compensation for decrease of market value of land or building due to easement rights implementation /and Compensation at replacement cost for affected crops, orchards, nurseries etc. in accordance with relevant sections of this matrix. /and Compensation for any permanent loss of income due to easement evaluated at replacement costs as assessed by accredited experts by assessing net gains potential of land after easement.
Impact on vulnerable groups	Vulnerable PAPs: persons below the poverty line in accordance with national laws, households led by women, single parents, elderly, disabled person or those with long-term health problems.	On top of all rights defined in this matrix, vulnerable PAPs will be provided additional assistance including legal assistance and help. Any additional support required for any affected vulnerable households will be determined on case-to-case basis during socio-economic survey. Main drivers of vulnerability will be taken into account and in consultation with PAPs. RAPs shall develop a detailed methodology based on the socio-economic surveys. These PAPs are given priority of employment on the project if possible.
Undetermined impact	Owner or formal beneficiary	Any undetermined impact will be mitigated in accordance with principles and aims of this RPF

## 4 PREPARATION OF INDIVIDUAL RESETTLEMENT INSTRUMENTS

### 4.1 Screening for involuntary resettlement

Screening is a mandatory procedure for the identification of possible involuntary resettlement. For all sub-projects planned to be implemented, social screening will be conducted to identify the types and nature of potential impacts related to the activities proposed under the Project and to provide adequate measures to address the impacts. Screening for resettlement issues shall be part of the environmental and social screening, as is detailed in the ESMF. Measures to address resettlement ensure that PAPs are:

- Informed about their options and rights pertaining to resettlement;
- Included in the consultation process and given the opportunity to participate in the selection of technically and economically feasible alternatives;
- Provided prompt and effective compensation at full replacement cost for;
- Losses of assets and access attributable to the subproject(s).

Screening of the activities and preparation of the social screening report will be carried out by social specialist to be employed by PIU. The screening reports will be endorsed by the Head of the PIU and submitted to the World Bank.

The screening will rely on the following criteria and will aim to faithfully identify whether the proposed sub-project will have adverse impacts on:

- loss of shelter, physical displacement;
- assets/ resources or access to assets/resources;
- loss of income sources or means of livelihood;
- loss of land or access to land;
- loss of business (permanent or temporary);
- loss of access to education and health;
- vulnerable persons and households;
- loss of community health and safety.

The social screening will identify persons with formal rights to land and assets (including customary and traditional rights recognized under the national laws). The screening will also identify persons who do not have formal rights to land but have a claim to such land and assets at the time of the cut-off date. The screening will not rely on the use and analysis of secondary data readily available but will require a walk-over survey as a validation that the secondary data provide true, reliable and accurate accounting of the social environment. In cases when after the walkover survey still no conclusive decisions can be made further efforts will be made through key informant interviews, focus group discussions and other adequate methodology. If the screening has found that such persons as describe above are present on sub-project affected land, a RAP, as applicable, will be prepared based on the principles and guidance provided by this RPF.

## 4.2 Screening Checklist

The resettlement screening checklist will be incorporated into the Project's Operation Manual (POM). The screening checklist will be completed by a social specialist at PIU or external social specialist consultants and submitted to PIU for a decision. Based on screening results a Resettlement Action Plan (RAP) will be developed.

Resettlement screening checklist is provided in Annex 2 of this RPF.

## 4.3 Resettlement Action Plan (RAP)

Based on this RPF, considering the extent of impact in terms of land acquisition and resettlement, site specific Resettlement Action Plans (RAPs) will be prepared.

RAP will be prepared by PIU's social specialist, preferably with the support of consulting service providers or mobile extension teams, for subprojects that have been determined to result in potential involuntary resettlement and/or land acquisition. When an RAP is required, the PIU submits completed studies along with their RAP's subproject application to the Resettlement Commission for appraisal, and subsequently to the World Bank.

The plan is based on up-to-date and reliable information about (a) the proposed project and its potential impacts on the displaced persons and other adversely affected groups, (b) appropriate and feasible mitigation measures, and (c) the legal and institutional arrangements required for effective implementation of resettlement measures.

The RAP development should start with identification of the project area and description of the project. The following step is identification of potential impacts, through identification of project components or activities that give rise to displacement; the zone of impact of such components or activities; the scope and scale of land acquisition and impacts on structures and other fixed assets; any project-imposed restrictions on use of, or access to, land or natural resources; alternatives considered to avoid or minimize displacement; and the mechanisms established to minimize displacement, to the extent possible, during project implementation.

Further development is based on the census survey and baseline socioeconomic studies. The purpose of socioeconomic survey and census is to identify and enumerate affected persons, and, with the involvement of affected persons, surveying land, structures, and other fixed assets to be affected by the project. The census survey also serves other essential functions:

- ✓ Information on vulnerable groups or persons for whom special provisions may have to be made;
- ✓ Identifying public or community infrastructure, property or services that may be affected;
- ✓ Providing a basis for the design of, and budgeting for, the resettlement program;
- ✓ In conjunction with establishment of a cut-off date, providing a basis for excluding ineligible people from compensation and resettlement assistance; and
- ✓ Establishing baseline conditions for monitoring and evaluation purposes.

The RAP should further include provisions on legal and institutional framework; eligibility i.e. definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cutoff dates; valuation of and compensation for losses: methodology to be used in valuation of losses to determine their replacement cost; and a description of the proposed types and levels of compensation under local law and supplementary measures as are necessary to achieve replacement cost value.

Community participation has to be explained through the involvement of displaced persons (including host communities, where relevant), strategy for consultation with, and participation of, displaced persons in the design and implementation of the resettlement activities, summary of the views expressed and how these views were taken into account, resettlement alternatives presented and the choices made by displaced persons, institutionalized arrangements by which displaced people can communicate their concerns to project authorities, and measures to ensure that vulnerable groups are adequately represented.

Implementation schedule has to be defined, providing anticipated dates for displacement, and estimated initiation and completion dates for all resettlement plan activities, as well as estimated costs and budget, GM and monitoring and evaluation arrangements.

Provisions for adapting resettlement implementation should be included in the RAP to order to respond to unforeseeable project conditions, or unanticipated obstacles to achieving satisfactory resettlement outcomes.

The predicted scope of land acquisition activities is minor, but in case land acquisition or restrictions on use of, or access to, land or natural resources should cause significant economic displacement, arrangements to provide displaced persons with sufficient opportunity to improve, or at least restore, their livelihoods are also incorporated into the RAP, or into a separate livelihoods' improvement plan.

These include:

- ✓ Direct land replacement: for agricultural livelihood based PAPs, the RAP provides for an option to receive replacement land of equivalent productive value or demonstrates that sufficient land of equivalent value is unavailable, etc.;
- ✓ Loss of access to land or resources: describes means to obtain substitutes or alternative resources, or otherwise provides support for alternative livelihoods;
- ✓ Support for alternative livelihoods: describes feasible arrangements for obtaining employment or for establishing a business, including provision of relevant supplemental assistance including skills training, credit, licenses or permits, or specialized equipment. As warranted, livelihood planning provides special assistance to women, minorities or vulnerable groups who may be disadvantaged in securing alternative livelihoods;
- ✓ Consideration of economic development opportunities: identifies and assesses any feasible opportunities to promote improved livelihoods as a result of resettlement processes. This may include, for example, preferential project employment arrangements, support for development of specialized products or markets, preferential commercial zoning and trading arrangements etc.;
- ✓ Transitional support: describes transitional support to those whose livelihoods will be disrupted.

The scope and level of detail of the resettlement plan vary with the magnitude and complexity of resettlement. The proposed content of the RAP is provided in Annex 4.

#### 4.4 RAP approval

Activities on the preparation of site-specific RAPs will be disclosed in the way to enable significant participation of PAPs. That assumes the phase of preliminary preparations, disclosure of preparations for population census, disclosure of census results while respecting privacy of personal information,

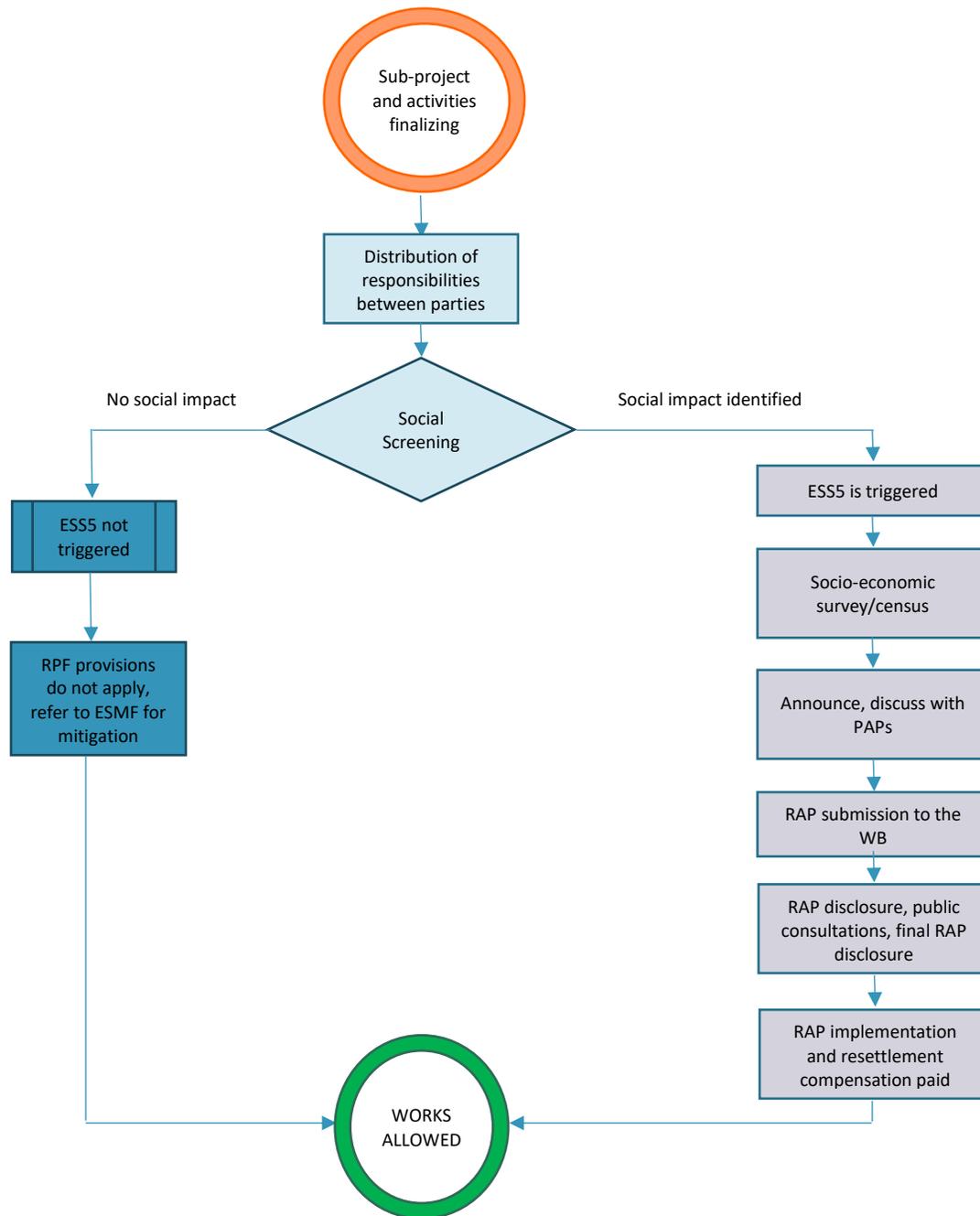
disclosure of socio-economic baseline assessment, as well as disclosure of RAP drafts. The purpose of public disclosure and discussions is to ensure meaningful participation of PAPs in the process of preparation, implementation and monitoring of resettlement instruments.

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

Overview of RAP development and implementation procedure is shown in Figure 1.

COVID 19 consideration. Since the current COVID 19 pandemics could take unpredictable turns site visits and travels might not be allowed. Depending on the severity on non-pharmaceutical interventions and measures imposed by the public authorities and the Government of Serbia the social surveys may be adapted to acceptable telephone surveys while census of persons, inventory and assets conducted through appropriately trained local representatives who will have received adequate training from the PIUs Social specialist to be hired under the project. Overall, the project will follow relevant national and WHO's guidelines as well as the Bank's Technical Note: Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings.

**Figure 1. Overview of RAP development and implementation procedure**



#### 4.5 RAP implementation

No physical and/or economic displacement for any given sub-project will occur until the site-specific RAPs have been finalized and approved by the Bank, and mitigation measures provided in the respective RAP have been implemented.

## 5 CONSULTATION AND DISCLOSURE

### 5.1 Public consultation

The public consultations are the important part of the RAP implementation. The MCTI/PIU is responsible for organizing and conducting public consultations with different target groups affected by each subproject prior to the move and involvement of PAPs in planning prior to completion of the site-specific RAP.

The PIU will establish an ongoing relationship with the affected communities from as early as possible in the project planning process and throughout the life of the Project. The engagement process will ensure their meaningful consultation in order to facilitate a common understanding of the nature and duration of the impacts; informed participation on matters that affect them directly; proposed mitigation measures; the sharing of development benefits and opportunities; and implementation issues. Individual meetings may be held with PAPs regarding specific cases, including when needed upon request by PAPs.

All documents prepared as part of the implementation of this RPF, i.e. the RPF, any subsequent RAP, will be disclosed in Serbian and English language, and made available for a public insight no later than 15 days prior to public consultations and sufficient time shall be left for submitting remarks after public consultations. All public consultations shall be announced through local newspaper, social media, notice boards and on internet portal of the PIU.

Project information, and Information about the GM will be disseminated in Serbian and English.

After the WB provides its 'No Objection' to the draft of this RPF, public consultation on RPF will be held (may be held simultaneously for other approved draft Project documents). The RPF will be disclosed on the PIUs website, <https://www.mgsi.gov.rs/>, and available for public insight not less than 15 days prior to public consultations and sufficient time must be given for submitting comments and questions. The public consultation invite will be sent to institutional stakeholders and published in national and local newspapers of communities that are known to be, or may be, affected by the Project.

Public consultation will be announced in other media, as appropriate:

- ✓ Websites of relevant local municipalities,
- ✓ Social media,
- ✓ Local TV and radio stations,
- ✓ Local newspapers,

simultaneously with disclosure of the documents.

Invitation will also be sent to:

- ✓ Governmental institutions,
- ✓ Representatives of and local communities known to be impacted by the project,
- ✓ NGOs,
- ✓ Academia,
- ✓ National and local media,
- ✓ Vulnerable groups,

- ✓ General public.

The outcome of the public consultation, and key discussion points and questions and concerns shall be incorporated in the final RPF.

The project will adapt alternative communication and consultation methods considering social distancing requirements, due to COVID 19 restrictions.

## 5.2 Disclosure of documents

All documents, i.e. this RPF and RAPs will be disclosed in Serbian and English language. Documents must be available to the public throughout duration of the Project including its evaluation. Versions in Serbian (or/and additional languages of the local community) will be published on the website of the MCTI/PIU and of relevant local municipalities. All documents shall be presented to PAPs in the process of land acquisition, particularly to vulnerable groups, and project impact on their property and their rights must be explained. Hard copies of the documentation shall be available in the affected municipalities, in accessible, commonly visited places. The PIU is responsible for all disclosures of the documents.

## 5.3 Stakeholder Engagement Log (SEL)

The MCTI/PIU is responsible to establish and maintain a Stakeholder Engagement Log (SEL) to document and record all stakeholder engagement activities, including group and individual meetings, any virtual meeting or engagement, planned or spontaneous meetings, formal or informal, phone conversations, written exchanges etc.

Data to be entered into the SEL include date, time and place of meeting/method of communication, details of stakeholders engaged, short description of the topics discussed, information gathered, a summary of the feedback received, if any, and a brief explanation of how the feedback was taken into account, or the reasons why it was not.

The SEL will be a valuable tool providing an overview of key engagement phases, and actions within, facilitating monitoring of SEP, Sub-Project and RAP implementation, resettlement process feedback, evaluation of empowerment of PAPs while agreeing the compensation packages as designed in the RPF and Sub-Project Specific Plans. The SEL shall be managed by the Social Specialist of the PIU.

## 6 GRIEVANCE MECHANISM

A Project level Grievance Mechanism (GM) shall be established by the MCTI/PIU, consisting of Central Feedback Desk (CFD) administered by the PIU and sub-project specific Local Grievance Admission Desks (LGAD) (collectively referred to as Grievance Mechanism (GM)).

The Central Feedback Desk (CFD) shall be established prior to commencement of any activities under the Project to manage and appropriately answer complaints during its different phases while the LGD shall be effective upon decision on each new Subproject has been taken. CFD shall be responsible for overall grievance administration, while the LGD shall serve as local admission point for uptake of grievances and acknowledgment of grievance receipt through local avenues, established and administered by the local governments (affected municipality) with representatives from the key stakeholders (i.e. PIU representative, municipal representative and representative of the local communities). In addition to the GM, legal remedies available under the national legislation are also available (courts, inspections, administrative authorities etc.).

To ensure GM access, potential beneficiaries, communities, and other stakeholders may submit grievances through channels as outlined below. The GM will provide the opportunity for continued feedback on the Subprojects and resolution of individual grievances during implementation. Procedures related to complaints handling will be posted on the MCTI website to ensure full transparency.

The GM shall serve as both Project level information center and grievance mechanism, available to those affected by implementation of all Project sub-components and be applicable to all Project activities and relevant to all local communities affected by project activities. The GM shall be responsible for receiving and responding to grievances and comments of the following groups:

- A person/legal entity directly affected by the project, potential beneficiaries of the Project,
- A person/legal entity directly affected by the project through land acquisition and resettlement,
- People interested in the project, and
- Residents/communities interested in and/or affected by project activities.

The MCTI/PIU will cooperate with LSGs in joint efforts to establishing functioning GM and informing stakeholders about the GM role and function, the contact persons, admission channels, and the procedures to submit a complaint in the affected areas. Information on the GM will be available:

- On the website of the MCTI (<http://www.mgsi.gov.rs/>)
- On the notice boards and websites of LMs
- Through social media campaigns.

Although the Project's Sexual Exploitation and Abuse (SEA)/Sexual Harassment (SH) and Sexual Exploitation and Abuse/Sexual Harassment risk was assessed as low (because of (i) the expected local employment and (ii) expected low number of workers on construction sites) the GM will, on a precautionary base, be enabled to recognize SEA/SH grievances. Such grievances will be managed separately by a trained expert, but will use the same process value chain and timeframes described below (chapter 6.4. Grievance admission and process value chain). The necessary training for the appointed staff member who is to deal with such grievances will be provided.

## 6.1 Raising grievances

Effective grievance administration strongly relies on a set fundamental principle designed to promote the fairness of the process and its outcomes. Any grievance can be brought to the attention of the CFD or LGD anonymously, personally or by telephone or in writing by filling in the grievance form by phone, e-mail, post, fax or personal delivery to the address of the MCTI/PIU which will be known once established. The access points and details on entry points shall be publicized and shall be part of the awareness building once the locations of sub-projects are known and once the PIU has been established.

## 6.2 Grievance administration

Any grievance shall follow the path of the following mandatory steps: receive, assess and assign, acknowledge, investigate, respond, follow up and close out.

Once logged the GM shall conduct a rapid assessment to verify the nature of grievances and determine on the severity. Within 5 days from logging it will acknowledge that the case is registered and provide the complainant with the basic next step information. It will then investigate by trying to understand the issue from the perspective of the complainant and understand what action he/she requires. The GM will investigate by looking into the facts and circumstances interview all parties involved and confer with relevant stakeholders. Once investigated, and depending on the severity and type of grievance, the provisional decision shall be discussed with the complainant in the timeframe of 10 days after logging the grievance. Unilaterally announcement shall be an exception. The final agreement should be specific and issued and grievant informed about the final decision not later than 30 days after the logging of the grievance. Closing out the grievance occurs after the implementation of the resolution has been verified. Even when an agreement is not reached, or the grievance was rejected it is important to document the result, actions and effort put into the resolution, close out the case. If the grievance could not be resolved in amicable endeavor, the grievant can resort to the formal judicial procedures, as made available under the Serbian national legal framework. Logging a grievance with the GM does not preclude or prevent seeking resolution from an official authority, judicial or other at any time (including during the grievance process) provided by the Serbian legal framework.

In case of anonymous grievance, after acknowledgment of the grievance within three days from logging, the CGD will investigate the grievance and within 30 days from logging the grievance, issue final decision that will be disclosed on the website of the MCTI. Closing out the grievance occurs after the implementation of the resolution has been verified.

The CGD shall keep a grievance register log that will have all necessary elements to disaggregate the grievance by gender of the person logging it as well as by type of grievance. The personal data of each Grievant shall be protected under the Data Protection Law. Each grievance will be recorded in the register with the following information at minimum:

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

- closure.

In case a grievance cannot be resolved in manner satisfactory to the complainant he/she has the right for an appeal. In such cases the resolution of the grievance will be reviewed by a commission at the level of the implementing agency. The commission will consist of three appointed members that are not directly involved in Project implementation. The commission will acknowledge the receipt of the appeal within 3 days and issue the final decision within 5 days of the receipt of the appeal. The decision of the commission will entail a detailed explanation of the grievance resolution process as well as the explanation of the final decision and guidance on how to proceed if the outcome is still not satisfactory for the complainant.

### 6.3Grievance log

The role of the GM, in addition to addressing grievances, shall be to keep and store comments/grievances received and keep the Central grievance log administered by the PIU.

The PIU will maintain grievance log to ensure that each complaint has an individual reference number and is appropriately tracked, and recorded actions are completed. When receiving feedback, including grievances, the following is defined:

- Type,
- Category,
- Deadline for resolving the appeal, and
- Agreed action plan.

Each complaint should be assigned with an individual reference number and is appropriately tracked and recorded actions are completed. The log should contain the following information:

- Name of the grievant, location and details of the grievance,
- Date of submission,
- Date when the Grievance Log was uploaded onto the project database,
- Details of corrective action proposed,
- Date when the proposed corrective action was sent to the complainant (if appropriate),
- Date when the grievance was closed out,
- Date when the response was sent to the grievant.

### 6.4Grievance admission and process value chain

**Table 3. Grievance flowchart**

STEPS	ACTIONS	DAYS
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<b>STEP 1: Submission of grievances</b>	Orally, in writing via suggestion/complaint box, through telephone hotline/mobile, mail, SMS, social media (WhatsApp, Viber, Facebook etc.), email, website, and the LGD. The GRM will also allow anonymous grievances to be raised and addressed. The site specific SEPs shall include details of Grievance entry points and focal points.	
<b>STEP 2: Recording of grievance</b>	Classifying the grievances based on the typology of complaints and the complainants in order to provide more efficient response, and providing the initial response immediately if possible. The typology will be based on the characteristics of the complainant (e.g., vulnerable groups, persons with disabilities, people with language barriers, etc.) and also the nature of the complaint	
<b>STEP 3: Acknowledgement of grievance</b>		5
<b>STEP 4: Investigate and discuss with Complainant</b>	Gathering information about the grievance to determine its eligibility and to generate a clear picture of the circumstances surrounding the issue under consideration. This process normally includes site visits, document reviews, a meeting with the GM user (if known and willing to engage) and meetings with individuals and/ or entities who can assist with resolving the issue. Reasonable efforts will be taken to address the complaint. If the grievance is vague and not clear enough, the GM is obliged to help and provide counsel and even help in redrafting the submission, in order for the grievance/ to become clear, for purposes of an informed decision by the GM, in the best interests of persons affected by the Project. If the GM is not able to address the issues raised by immediate corrective action, a long-term corrective action will be identified. The decision shall give a clear assessment on the grievance/complaint, clear ruling and recommendations for fair remedy and propose measures to modify future conduct that caused the grievance as well as proposed measures to compensate if mitigation measures cannot remedy the harm or injury. The decision shall be in writing and shall be delivered to the person who filed the grievance as well as to any other person or entity to which the recommendation and measures shall apply or is under obligation by Law. The person who filed the grievance can express his/her personal satisfaction to the outcome of the grievance resolution procedure. Unilateral decision shall be an exception and resolution shall be sought through a dialogue between the GM and the Grievant	10
<b>STEP 5: Communication of the decision</b>		30
<b>STEP 6: Complainant Response</b>	<p>Either grievance closure or taking further steps/second tier commission if the grievance remains open. Before any closure of complaints/grievances, the GM shall:</p> <ul style="list-style-type: none"> <li>◆ Confirm that the required GM actions have been enforced, that the grievance resolution process has been followed and that a fair decision has been made;</li> <li>◆ Organize meeting(s) within 10 days of being contacted by the concerned parties to discuss how to resolve the issue, if not previously conducted;</li> <li>◆ Recommend the final decision on the mitigation measure to the complainant/aggrieved party;</li> <li>◆ Implement the agreed mitigation measure;</li> <li>◆ Update the Grievance Report Form and have it signed by the complainant/aggrieved party;</li> </ul>	

- |   |
|---|
| <ul style="list-style-type: none"> <li>◆ Sign the Grievance Report Form and log the updated information of the grievance into the Grievance Registry; and</li> <li>◆ Send copies of relevant documents (e.g. completed Grievance Report Form, mitigation measure, minutes of the meetings, if appropriate) to the concerned parties.</li> </ul> |
|---|

The Sub-project specific SEPs shall have details on each Grievance admission points, grievance administration processes, timelines, investigation activities and closure conditions including the 2nd tier resolution instance. Further details on local access details LGD are to be known and disseminated at later stages and shall be part of the awareness raising campaign of the sub-project SEPs.

## 6.5 Monitoring and reporting on Grievances

The CGD will be responsible for:

- Regular acquisition of data, as soon as the grievance is received through LGD serving as local admission points, on the number, substance and status of complaints and uploading them into the single regional database;
- 
- Maintaining the grievance logs on the complaints received at the regional and local level;
- Monitoring outstanding issues and proposing measures to resolve them;
- Disclosing quarterly reports on GM mechanisms
  - On the website of the MCTI (<http://www.mgsi.gov.rs/>)
  - On the notice boards and websites of LMs
  - Through social media campaigns.
- Summarizing and analyzing the qualitative data received from the local Grievance Admission points on the number, substance and status of complaints and uploading them into the single project database.

The regular social monitoring reports to the WB shall be submitted through the MCTI/PIU, which shall include a section related to GM which provides updated information on the following:

- Status of GM implementation (procedures, training, public awareness campaigns, budgeting etc.);
- Qualitative data on number of received grievances (applications, suggestions, complaints, requests, positive feedback) and number of resolved grievances;
- Quantitative data on the type of grievances and responses, issues provided and grievances that remain unresolved;
- Level of satisfaction by the measures (response) taken;
- Any corrective measures taken.

## 6.6 World Bank Grievance Redress Service

Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <https://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>.

For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## 7 MONITORING AND EVALUATION

### 7.1 Institutional monitoring

The MCTI/PIU will keep a database of resettlement and expropriation with a minimum of following information: volume of land required, land acquisition completed, inventory of persons and property affected, inventory of expropriation cases disaggregated by different phases of the process (submission of expropriation proposal to the competent municipality, decision on expropriation, compensation offer, agreements regarding the compensation, compensation payment, and payment of assistance during relocation, etc.). A proposed template for monitoring is presented in Annex 3.

A list of institutional responsibilities during the land acquisition and resettlement process is given in the following table:

**Table 4: Institutional responsibilities**

Task	Responsibility
Disclosure and arranging public consultations on the RPF	MCTI/PIU
Information disclosure to all PAPs about the procedure of the beginning of expropriation and during all phases of expropriation	PIU and local municipalities (LM)
Communication and consultation with PAPs	PIU and LM
Activities prior to commencement of works	PIU and LM
Providing assistance during resettlement	BoE
Compensation payment	BoE
Grievances management	PIU
Monitoring and reporting on expropriation and resettlement	PIU / environmental and social consultant
Monitoring and reporting after commencement of works	Contractor

## 7.2 Monitoring of resettlement process

The PIU will conduct internal periodical (monthly or quarterly depending on the length of land acquisition processes) monitoring so that efficiency of the expropriation process and level of satisfaction of PAPs can be assessed.

Indicators for implementation of monitoring are as follows:

- Number of PAPs categories;
- Number of public discussions and consultations with PAPs;
- Number and percentage of negotiated settlements signed;
- Number of physical resettlement cases;
- Number of economical resettlement cases;
- Number of completed land acquisition cases compared to expected total number;
- Number of PAPs compensated compared to the expected total;
- Amount of compensation paid compared to the expected total;
- Number of temporary occupied private property land plots by the contractor for construction;
- Comparison of data on livelihood of affected persons before and after the (sub)-Project
- Number and type of assistances provided to vulnerable groups compared to total; and
- Number and type of grievances, including legal actions arising from expropriation (submitted cases, resolved cases, time needed for their resolution).

The PIU shall monitor the implementation of the resettlement process both through internal, official institutional arrangements, as well as by a periodical independent external consultant, to be appointed. The external monitoring and evaluation consultant may be appointed during RAP preparation, if necessary, based on consultation with the World Bank. A RAP completion report will be prepared and submitted to the World Bank within 2 months of the RAP completion. The report should verify that all entitlements have been delivered in line with the site-specific RAPs. In addition, the report should evaluate whether the mitigation actions prescribed have had the desired effect. The socioeconomic status of the affected population should be measured against the baseline conditions of the population before displacement, as established through the census and socioeconomic baseline studies.

## 8 INSTITUTIONAL ARRANGEMENTS

### 8.1 Institutions responsible for Project implementation

The Project will be implemented by the Ministry of Construction, Transport, and Infrastructure (MCTI) through an existing PIU, supported by the CFU in the Ministry of Finance (MoF) and supplemented by employees in the municipalities officially assigned to the project.

Although some of the anticipated project activities related to municipal infrastructure may be beyond the scope of the (MCTI) the PIU will ensure that all of the proposed activities will be discussed and cleared by the appropriate authorities and ministries and that all relevant permits will be obtained prior to the start of any works.

The MCTI's PIU has already been established to manage the Serbian part of the WB Trade and Transport Facilitation Project and Railway Modernization Project MPA, and the same PIU will manage the Serbia LIID Project. The already existent PIU in the MCTI will be extended with the team to implement the project, and strengthened with appropriate managerial and technical capacity to enable it to carry out (i) day-to-day implementation of project activities directly under its responsibility and (ii) support municipalities participating in the Project. It is envisaged that the PIU will be strengthened with the minimum of 9 highly skilled engineers that will support municipalities in project preparation and will review the quality of the submitted projects against the best practices and eligibility criteria.

The CFU will be responsible for fiduciary issues like financial management and support to LSGs to implement procurements. The CFU will be strengthened with minimum 3 procurement specialists whose main task will be to raise procurement capacities of LSGs and guide the procurement of projects under the Loan.

Municipalities will have their dedicated employee(s) in charge of managing the projects financed by the loan, including activities related to procurement, project preparation, and the introduction of improved policies and planning and management frameworks. Each beneficiary municipality will sign a MoU with the MCTI where mutual responsibility and obligations are defined. MoU will be defined in a Project Operational Manual.

The PIU will be supported by one environmental specialist and one social specialist, either full-time or part-time staff of consultants during project implementation and depending on the scope of works additional hires may be required which at this time cannot be determined. All additional staffing would be agreed upon by the PIU and the Bank team and supported by the Project.

A part time resettlement specialist will be engaged if needed. The social specialist will be responsible for the Social Safeguards and ensuring that the GM is functional. RAP if required will be prepared by a resettlement specialist to be hired by the PIU for this specific activity/ies.

## 8.2 Key institutions in process of resettlement

The resettlement process involves the Government of RS, the Beneficiary of expropriation, the tax authority, accredited valuation experts, the local Governments and the Relevant Courts in cases there is a dispute. An overview of all institutions is presented below. The in depth assigned responsibilities and arrangements for implementing the requirements of this RPF and each site-specific RAP shall be covered in the RAP itself.

**Table 5: Institutions involved in during land acquisition / resettlement**

Institution	Key responsibility during resettlement
National assembly of RS	Declares public interest by law
Government of RS (GoRS)	Declares public interest for expropriation (if not done by law as above)
MCTI / PIU	<p>Implements and coordinates all resettlement activities under this RPF and individual RAPs</p> <p>Appoints a resettlement specialist to monitor the implementation and report on social components of the Project, particularly implementation of RPF</p> <p>Announces the Cut-off date</p> <p>Prepares and discloses RPF, RAP and all other documents</p> <p>Holds public consultations in all Project phases</p> <p>Engages with relevant stakeholders</p> <p>Establishes and administers the GM of PAPs and stakeholders;</p> <p>Monitors and evaluates resettlement process and reports to WB on all issues under this RPF</p> <p>Monitors the process of temporary land occupation until the land is given back to their owners in accordance with this RPF</p>
Beneficiary of expropriation	Administers the expropriation process
Ministry of Finance (MoF)	Borrower and 2 <sup>nd</sup> tier authority to the expropriation decisions
Tax administration offices (decentralized to municipality units, but under MoF)	Provides assessment of market value of agricultural or construction land
Local-Self Governments, including its administration	<p>Local municipalities govern the expropriation process (Department of property affairs)</p> <p>Participate in Sub-Project specific Local Grievance Admission Desks (LGAD)</p>
Ministry of Agriculture, Forestry and Water Management	Provides information about available replacement land
Republic Geodetic Authority, State Cadaster of immovable property, decentralized units	<p>Provides official information on all immovables, including land, structures, houses, etc.</p> <p>Provides official legal information on owners of immovables</p> <p>Provides information on possessors of immovable property</p> <p>Annotation of expropriation process</p> <p>Executes legal title changes of immovable property owners after land acquisition, expropriation etc.</p>
Relevant municipal courts	Determines fair compensation if amicable agreement has not been reached
The Administrative Courts	Decides on lawsuits filed against final and binding decisions issued by the MoF

## 9 RESETTLEMENT BUDGET AND FUNDING

In general, the cost burden of compensation will be borne by the beneficiary of expropriation (BoE) and budgeted within the budget for the upcoming fiscal years. Costs for the implementation of this RPF include categories: (a) administrative costs including cost associated with expropriation (if necessary), and (b) compensation for land acquisition, and asset loss, including transitional and any other allowance as necessary.

At this stage of the Project and due to unknown scale, type and magnitude of impact no estimation can be given on the required cost.

This RPF as referenced in the Loan Agreement complements the national legal requirements guiding involuntary land acquisition and resettlement and shall once ratified serve as a legal basis to close gaps to meet the ESS5 standards.

## ANNEX 1: GRIEVANCE REGISTRATION FORM

Reference No:

Full Name

Note: you can remain anonymous if you prefer, or request not to disclose your identity to the third parties without your consent. In case of anonymous grievances, the decision will be disclosed at the Projects website <https://www.mgsi.gov.rs/>

First name \_\_\_\_\_

Last name \_\_\_\_\_

I wish to raise my grievance anonymously

Gender of complainant (completion of this field is optional)

Male  Female  Other \_\_\_\_\_ (please indicate)

I request not to disclose my identity without my consent Contact Information Please mark how you wish to be contacted (mail, telephone, e-mail).

By Post: Please provide mailing address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By Telephone: \_\_\_\_\_

By E-mail \_\_\_\_\_

I will follow up on the resolution at the website as I want to remain anonymous

Preferred language for communication  Serbian  Other (indicate)

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)

One-time incident/grievance (date \_\_\_\_\_)

Happened more than once (how many times? \_\_\_\_\_)

On-going (currently experiencing problem) What would you like to see happen to resolve the problem?

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Please return this form to: Ministry for Construction, Traffic and Information / PIU

## ANNEX 2: SOCIAL SCREENING CHECKLIST

### SOCIAL SCREENING FORM AND TRIGGERS FOR SUB PROJECTS

This screening report shall comprise of the screening form, ownership evidence and pictures from the walkover survey.

Name of Sub project:

Location:

Type of Activity and Procurement Package as assigned in the Procurement Plan:

Nature of Project:

Size/Scale:

Project Implementing Agency:

Description of Project Surroundings:

#### Screening indicators related to Land acquisition, assets and access to resources

		YES	NO
Type of activity – Will the sub project:			
1	Require that land (private) to be acquired (temporarily or permanently) for its development		
2	Acquire land in anticipation of the project?		
3	Use land that is currently occupied or regularly used for productive purposes (e.g. gardening, farming, pasture, fishing locations, forests)		
4	Physically displace individuals, families or businesses		
5	Result in the temporary or permanent loss of crops, fruit trees or household infrastructure		
6	Result in the involuntary restriction of access by people to legally designated parks and protected areas		
7	Result in loss of livelihood		
8	Have negative impact to any vulnerable individuals or groups		
9	Have negative impact to informal side road shops, traders, or any nomadic type of commercial activity		
10	Impact community Health & Safety		

11	Impact internally displaced persons or refugees		
12	Disrupt access to health care and education		

**If any of the boxes 1 through 9 are ticked YES the ESS5 will be relevant and site specific instruments in line with the RPF will be prepared.**

**If any of the boxes 10 through 13 are ticked YES commensurate mitigation measures shall be designed through the site specific ESMP.**

CERTIFICATION

We hereby certify that we have thoroughly examined all the potential adverse effects of this sub project. To the best of our knowledge, the sub project does not avoid /avoids all adverse social impacts.

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For the PIU / Social specialist



## ANNEX 4: PROPOSED TABLE OF CONTENT / RAP

The scope and level of detail of the resettlement plan vary with the magnitude and complexity of resettlement.

The plan is based on up-to-date and reliable information about:

- (a) the proposed resettlement and its impacts on the displaced persons and other adversely affected groups,
- (b) the legal issues involved in resettlement.

The resettlement plan covers the elements below, as relevant. When any element is not relevant to project circumstances, it should be noted in the resettlement plan.

### **Table of content Resettlement Action Plan (RAP):**

1. *Description of the project.* General description of the project and identification of the project area.

2. *Potential impacts.* Identification of

- (a) the project component or activities that give rise to resettlement;
- (b) the zone of impact of such component or activities;
- (c) the alternatives considered to avoid or minimize resettlement; and
- (d) the mechanisms established to minimize resettlement, to the extent possible, during project implementation.

3. *Objectives.* The main objectives of the resettlement program.

4. *Census survey and baseline socioeconomic studies.* The findings of a household-level census identifying and enumerating affected persons, and, with the involvement of affected persons, surveying land, structures, and other fixed assets to be affected by the project. The census survey also serves other essential functions:

- (a) Identifying characteristics of displaced households, including a description of production systems, labor, and household organization; and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population;
- (b) Information on vulnerable groups or persons for whom special provisions may have to be made;
- (c) Identifying public or community infrastructure, property or services that may be affected;
- (d) Providing a basis for the design of, and budgeting for, the resettlement program;
- (e) In conjunction with establishment of a cut-off date, providing a basis for excluding ineligible people from compensation and resettlement assistance; and
- (f) Establishing baseline conditions for monitoring and evaluation purposes.

If relevant, additional studies describing the following:

- (g) Land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, nontitle-based usufruct systems (including fishing, grazing, or use of forest areas) governed by local recognized land allocation mechanisms, and any issues raised by different tenure systems in the project area;
- (h) The patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project; and
- (i) Social and cultural characteristics of displaced communities, including a description of formal and informal institutions (e.g., community organizations, ritual groups, nongovernmental organizations (NGOs)) that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.

5. *Legal framework.* The findings of an analysis of the legal framework, covering:

- (a) The scope of the power of compulsory acquisition and imposition of land use restriction and the nature of compensation associated with it, in terms of both the valuation methodology and the timing of payment;
- (b) The applicable legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process and the normal time frame for such procedures, and any available grievance redress mechanisms that may be relevant to the project;
- (c) Laws and regulations relating to the agencies responsible for implementing resettlement activities; and

(d) Gaps, if any, between local laws and practices covering compulsory acquisition, imposition of land use restrictions and provision of resettlement measures and ESS5, and the mechanisms to bridge such gaps.

8. *Institutional framework*. The findings of an analysis of the institutional framework covering:

(a) The identification of agencies responsible for resettlement activities and NGOs/CSOs that may have a role in project implementation, including providing support for displaced persons;

(b) An assessment of the institutional capacity of such agencies and NGOs/CSOs; and

(c) Any steps that are proposed to enhance the institutional capacity of agencies and NGOs/CSOs responsible for resettlement implementation.

9. *Eligibility*. Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.

10. *Valuation of and compensation for losses*. The methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation for land, natural resources, and other assets under local law and such supplementary measures as are necessary to achieve replacement cost for them.

11. *Community participation*. Involvement of displaced persons (including host communities, where relevant):

(a) A description of the strategy for consultation with, and participation of, displaced persons in the design and implementation of the resettlement activities;

(b) A summary of the views expressed and how these views were taken into account in preparing the resettlement plan;

(c) A review of the resettlement alternatives presented and the choices made by displaced persons regarding options available to them; and

(d) Institutionalized arrangements by which displaced people can communicate their concerns to project authorities throughout planning and implementation, and measures to ensure that such vulnerable groups as Indigenous Peoples, ethnic minorities, the landless, and women are adequately represented.

12. *Implementation schedule*. An implementation schedule providing anticipated dates for displacement, and estimated initiation and completion dates for all resettlement plan activities. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.

13. *Costs and budget*. Tables showing categorized cost estimates for all resettlement activities, including allowances for inflation, population growth, and other contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds, and funding for resettlement, if any, in areas outside the jurisdiction of the implementing agencies.

14. *Grievance redress mechanism*. The plan describes affordable and accessible procedures for third party settlement of disputes arising from displacement or resettlement; such grievance mechanisms should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms.

15. *Monitoring and evaluation*. Arrangements for monitoring of displacement and resettlement activities by the implementing agency, supplemented by third-party monitors as considered appropriate by the Bank, to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; involvement of the displaced persons in the monitoring process; evaluation of results for a reasonable period after all resettlement activities have been completed; using the results of resettlement monitoring to guide subsequent implementation.

16. *Arrangements for adaptive management*. The plan should include provisions for adapting resettlement implementation in response to unanticipated changes in project conditions, or unanticipated obstacles to achieving satisfactory resettlement outcomes.

## ANNEX 5: REPORT ON PUBLIC CONSULTATIONS

To be added