

2024

**DRAFT DOCUMENT – Resettlement  
Policy Framework for the Sustainable,  
Integrated and Safe Road Infrastructure  
Project**



Admin

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7/25/2024

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## Abbreviations

BiH	Bosnia and Herzegovina
ESS	Environmental and Social Standards of the World Bank
OG	Official Gazette
PAP	Project Affected People
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework (this document)
RS	Republika Srpska
WB	World Bank
WSS	Water and sanitation services

## 1 EXECUTIVE SUMMARY

The objective of the Sustainable, Integrated and Safe Road Infrastructure Project is to improve regional transport connectivity and enhanced road network management through:

- financing improvement to sections of a key regional corridor, route 2b, between Sarajevo and Podgorica;
- interventions that improve climate resilience through targeted investments in slope stability and flood protection measures and road safety black spots. This includes addressing part of the backlog rehabilitation program together with targeted sections of climate and road safety vulnerability to bring the overall network to a maintainable condition and to reduce network vulnerability;
- institutional support will be provided to enhance road network management and the governance of the road companies in RS;
- improving the overall financial sustainability of the companies through modern asset management techniques that optimize the use of scarce public expenditures.

The Project consists of two components (1: Improved Regional Connectivity, and Component 2: Enhanced Road Sector Governance, 3: Project Management), which will be implemented over a period 4 years. The sub-projects in Republika Srpska (RS) will be implemented by Putevi Republike Srpske, a public road company.

The proposed Project activities, due to the nature and extent of civil works under Component 1 of the Project, may have displacement impacts (only economic displacement is expected at Project preparation), due to partial or full road closures, and right of way for construction of larger road sections. A limited land acquisition is also possible to enable new road alignment under Component 1, and construction of tunnels and viaducts, and bypasses under the same Component. During this phase of project preparation, exact investments, designs, location, and scope of works are not yet known. As a result, it is impossible to estimate the likely nature or magnitude of the impacts related to the project. Therefore, this Resettlement Policy Framework (RPF) has been prepared to clarify resettlement principles, organizational arrangements, and design resettlement and land acquisition criteria and procedures to be applied to sub-projects, and as such to mitigate potential resettlement impacts. The RPF has been prepared in accordance with the legal system, laws, and procedures in force in RS, and conforms with WB requirements and good international practices. This framework also provides a basis for individual Resettlement Action Plans, which will be prepared once the specific locations, designs, risks and potential impacts become known for any subproject that triggers resettlement.

The document outlines basic elements of the RPF, organized into sections:

Chapter 2: Project description and scope of the RPF, including potential for land acquisition/resettlement,

Chapter 3: Overview of World Bank requirements related to land acquisition and resettlement,

Chapter 4: Legal framework in RS, including analysis of gaps between existing framework and World Bank requirements,

Chapter 5: Principles and objectives governing resettlement,

Chapters 6 & 7: Compensation and entitlements for Project Affected People,

Chapter 8: Requirements for disclosure of information and public consultations,

Chapter 9: Grievance redress mechanism, and

Chapter 10: Arrangements for implementing Resettlement Action Plans to be developed.

## 2 INTRODUCTION

### 2.1 Brief Description of the Project

The Sustainable, Integrated and Safe Road Infrastructure Project aims to enhance regional transport connectivity and improve road network management through the following: Upgrading sections of regional corridor route 2b, connecting Sarajevo and Podgorica; Implementing interventions to enhance climate resilience by investing in slope stability, flood protection measures, and addressing road safety black spots. This includes addressing the backlog of rehabilitation work and addressing climate and road safety vulnerabilities to achieve an overall maintainable condition while reducing network vulnerability; Providing institutional support to enhance road network management and the governance of road companies in Republika Srpska (RS); Improving the financial sustainability of the companies through modern asset management techniques that optimize the use of limited public funds.

The focus of the Project is to enhance regional connectivity and improve the quality and sustainability of the magistral road network in Bosnia and Herzegovina (BiH). The main objectives include upgrading Route 2b, which connects Sarajevo (BiH) and Podgorica (Montenegro), as well as the reconstruction, rehabilitation and maintenance of priority magistral roads. Subcomponent 1.1 involves the upgrade of a 13.245 km section of Route 2b between Brod na Drini (Foca) and Hum (Scepan Polje), with the funding coming from an EBRD loan and WBIF grant. The current road is in poor condition, characterized by active landslides, deformations, and narrow width. The project will include the repair of the interstate bridge over the river Tara and will address road vulnerability to flooding and landslides. The works will be tendered through a design and build approach, with an expert mobilized to support the client in preparing the necessary documents. The subcomponent will cover the design build contract, including bridges, interchanges, and road safety audits. Subcomponent 1.2 involves the financing of selected sections of the program for the reconstruction, rehabilitation, and maintenance of priority magistral roads, improving approximately 150 km of road. The works will focus on resurfacing, pavement widening, traffic signalization improvements, structure renewal, road safety improvements, and rehabilitation of bridges and tunnels. Specific blackspot improvements have been identified, including two bridges (over rivers Drnjaca and Tatinac) in RS. These improvements will lead to a better ride quality, lower operating costs for road users, and a lower life-cycle cost for the road asset. Overall, the project aims to enhance connectivity within BiH and with neighboring countries, facilitate access to markets, and support the country's EU accession process. It will also contribute to the growth of the tourism industry in the area and improve domestic connectivity and network resilience. Project is organized in 2 components and a number of sub-components (full description is available in the Annex C).

#### 2.1.1 Contingent Emergency Response Component (CERC)

The Project also includes Contingent Emergency Response Component (CERC) which is a financing mechanism designed to provide rapid access to funds in the event of a crisis or emergency. CERCs can be activated to reallocate uncommitted funds to address urgent needs without requiring project restructuring. This mechanism ensures that borrowers can quickly access necessary funds to mitigate the adverse economic and social impacts of emergencies, thereby strengthening Country's resilience and response capacity.

As CERC component activities have not yet been defined, they are not a subject to this RPF. However, mandatory ESF compliance extends to CERC. To ensure that the Project CERC component is implemented compliant to ESF, the Borrower will prepare CERC Manual as specified the legal agreement (LA). The CERC Manual will include a general description of the E&S assessment and management arrangements including, if applicable, Sustainable Integrated and Safe Road Infrastructure Project CERC Addendum to RPF in accordance with ESCP provisions. Definition of CERC Manual and CERC component E&S due diligence procedures (including but not limited to the CERC Addendum to RPF, procedures related to preparation of site-specific RAPs and consequently changes in the GRM) will be guided by the ESMF E&S Review Procedures, this RPF and will be fully complaint to ESF and WB EHSR.

## 2.2 Scope and Purpose of ESS5 and the Resettlement Framework

The Resettlement Policy Framework (RPF) serves to clarify resettlement principles, organizational arrangements, and design criteria to be applied to subprojects or project components to be prepared during project implementation. In addition to the ESF Standard 5 (Land Acquisition, Restrictions on Land Use and Involuntary Resettlement<sup>1</sup>), it takes into account the current legislation in RS. The RPF has been prepared because the exact locations of subprojects, potential land impacts, and the extent of resettlement are not yet defined. Once the subproject are defined and the necessary information becomes available, RPF will serve as guidance for preparation of site specific RAPs for each subproject where land acquisition, restriction on land use or involuntary physical or economical resettlement are detected/ screened as per the screening procedure described in Chapter 3.1 (while the screening template is available in the Annex D) Site-specific Resettlement Action Plans (RAPs) will be proportionate to potential risks and impacts, in line with the principles of ESF. Project activities that may cause physical and/or economic displacement or any impact for which RAP is required (including land acquisition, resettlement, economic displacement, etc.) will not commence until such specific plans have been finalized and approved by the Bank. The finalization of the RAP means that the RAP is implemented and all compensations are paid. RAPs will be prepared for all subprojects involving resettlement to comply with the provisions of ESS5 and local legislation on land acquisition. In the context of ESF, the term 'resettlement' is an umbrella term for all impacts under ESS5 including land acquisition, economic displacement, loss of livelihood, and other land and rights to land related conditions and developments.

The scope and level of detail of RAPs will differ depending on the size and complexity of the resettlement. RAPs should be based on current and reliable information about:

1. The proposed project and how it might affect the displaced persons and other negatively impacted groups,
2. Appropriate and feasible measures to lessen the impact, and
3. The legal and institutional requirements needed to effectively carry out the resettlement measures.

The essential components of a RAP as per ESS5 are outlined in Annex A of this document.

### 2.2.1 ESS Application

This ESS applies to permanent or temporary physical and economic displacement resulting from the following types of land acquisition or restrictions on land use undertaken or imposed in connection with project implementation:

- (a) Land rights or land use rights acquired or restricted through expropriation or other compulsory procedures in accordance with national law;
- (b) Land rights or land use rights acquired or restricted through negotiated settlements with property owners or those with legal rights to the land, if failure to reach settlement would have resulted in expropriation or other compulsory procedures;
- (c) Restrictions on land use and access to natural resources that cause a community or groups within a community to lose access to resource usage where they have traditional or customary tenure, or recognizable usage rights. This may include situations where legally designated protected areas, forests, biodiversity areas or buffer zones are established in connection with the project;
- (d) Relocation of people without formal, traditional, or recognizable usage rights, who are occupying or utilizing land prior to a project-specific cut-off date;
- (e) Displacement of people as a result of project impacts that render their land unusable or inaccessible;
- (f) Restriction on access to land or use of other resources including communal property and natural resources such as marine

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<sup>1</sup> Available in English at: <http://pubdocs.worldbank.org/en/837721522762050108/Environmental-and-Social-Framework.pdf>

and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas.

### 2.3 List of Definitions relevant to the resettlement framework and ESS5

<p><b>Census Survey and Baseline Socio-Economic Study</b></p>	<p>Census survey, also called household census identifies enumerates 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:</p> <ul style="list-style-type: none"> <li>(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 (e.g. age, gender, family size, etc.) and related social and economic information (ethnicity, health, education, occupation, income sources, livelihood patterns, productive capacity, and so forth);</li> <li>(b) information on vulnerable groups or persons for whom special provisions may have to be made;</li> <li>(c) identifying public or community infrastructure, property or services that may be affected;</li> <li>(d) providing a basis for the design of, and budgeting for, the resettlement program;</li> <li>(e) in conjunction with establishment of a cutoff date, providing a basis for excluding ineligible people from compensation and resettlement assistance; and</li> <li>(f) establishing baseline conditions for monitoring and evaluation purposes.</li> </ul> <p>The bank may require additional studies on land tenure, social interactions in affected communities, and the social and cultural characteristics of displaced communities in the project area. These studies will supplement the census survey and provide important information for the consultation strategy and resettlement activities. In that case, the socio-economic survey is carried out to support the census.</p>
<p><b>Cut-Off Date</b></p>	<p>Cut-Off date is the ‘eligibility-end date’. In other words, it is the date after which all activities (moving, planting, construction, etc.) in the project area are no longer present the base for compensation and/or assistance. It is intended to discourage encroachment by opportunistic settlers. The cut-off date for formal property owners is usually recognized by national legislation. For informal owners/users not recognized by national legislation, setting the commencement date of the baseline socio-economic survey as the cut-off date is considered good practice.</p>
<p><b>Economic Displacement</b></p>	<p>Economic displacement relates to loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood.</p>
<p><b>Entitlement</b></p>	<p>Compensation and assistance which affected people have the right to receive during resettlement. Entitlements are defined for each individual sub-project (in the Resettlement Action Plan - RAP), and are listed in the form of an Entitlements Matrix, i.e. a table containing information on who is entitled to what type of compensation and/or assistance.</p>
<p><b>Land Acquisition</b></p>	<p>Land acquisition” 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:</p> <ul style="list-style-type: none"> <li>(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. The term “land” for the purposes of ESF and ESS5 includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and appurtenant water bodies.</li> </ul>
<p><b>Livelihood</b></p>	<p>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, petty trade and bartering.</p>
<p><b>Market Value</b></p>	<p>Value calculated based on prices of property in the area in which the particular property is acquired, which can be achieved for a particular property on the market, depending on supply and demand at that moment of setting the price. For the purposes of ESS5, market value is established through independent and competent real estate valuation.</p>
<p><b>Moving Allowance</b></p>	<p>Cash compensation for costs directly associated to moving/relocation of a household or business.</p>

<b>Physical Displacement</b>	Physical displacement is an action that results in relocation, loss of residential land or loss of shelter.
<b>Project Affected People (PAP)</b>	Affected persons may be classified as persons: (a) Who have formal legal rights to land or assets; (b) Who do not have formal legal rights to land or assets but have a claim to land or assets that is recognized or recognizable under national law; or (c) Who have no recognizable legal right or claim to the land or assets they occupy or use. Status of the affected person is established in the census.
<b>Replacement Cost</b>	<p>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.</p> <p>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. To ensure compensation at replacement cost, planned compensation rates may require updating in project areas where inflation is high or the period of time between calculation of compensation rates and delivery of compensation is extensive.</p>
<b>Restrictions on Land Use</b>	<p>The term '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.</p> <p>In addition to project-related land acquisition, restrictions on land use may also 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.</p>
<b>Resettlement Policy Framework</b>	<p>The purpose of the Resettlement Policy Framework (RPF) is to clarify resettlement principles, organizational arrangements, and design criteria to be applied to subprojects or project components to be prepared during project implementation. RPF is compiled in the Project preparation phase.</p> <p>Once the subprojects and individual project components are defined and the necessary information becomes available, the framework is expanded into a specific plan proportionate to potential risks and impacts (see item Resettlement Action Plan below). Project activities that will cause physical and/or economic displacement will not commence until such specific plans have been finalized and approved by the Bank.</p>
<b>Process Framework</b>	A process framework is prepared when Bank supported projects may cause restrictions in access to natural resources in legally designated parks and protected areas. The purpose of the process framework is to establish a process by which members of potentially affected communities participate in design of project components, determination of measures necessary to achieve the objectives of this ESS, and implementation and monitoring of relevant project activities.



<p><b>Resettlement Action Plan</b></p>	<p>The site-specific document in which a client specifies the procedures it will follow and the actions it will take to mitigate adverse effects, compensate losses and provide development benefits to persons and communities affected by a defined investment project, on known location.</p> <p>Resettlement action plans are prepared for any project that results in economic or physical displacement. 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 scope and level of detail varies with the magnitude of displacement and complexity of the measures required to mitigate adverse impacts.</p>
<p><b>Negotiated Settlements</b></p>	<p>In cases where the borrower needs to obtain certain land or limit its use for a project, they may choose to first attempt to reach a mutually agreeable settlement – ‘negotiated settlement’ with the landowner/user rather than going through an expropriation process. Often, both parties may see it as beneficial to come to an agreement in order to avoid the delays and costs associated with a full legal or administrative expropriation.</p>
<p><b>Security of Tenure</b></p>	<p>This means that resettled individuals or communities are resettled to a site that they can legally occupy, where they are protected from the risk of eviction, and where the tenure rights provided to them are socially and culturally appropriate. In no event will resettled persons be provided tenure rights that are weaker than the rights they had to the land or assets from which they have been displaced.</p>
<p><b>Vulnerable People/ Groups</b></p>	<p>Vulnerable individuals are those who, due to their gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status, may be more negatively impacted by resettlement than others. They may also face limitations in their ability to access resettlement assistance and related development benefits.</p> <p>Groups or persons who may be particularly vulnerable include, but are not limited to:</p> <ul style="list-style-type: none"> <li>▪ poor people</li> <li>▪ people with disabilities</li> <li>▪ refugees and internally displaced people</li> <li>▪ children, women, the elderly or ill persons</li> <li>▪ households whose heads are children or female</li> <li>▪ households who have no or have very limited resources</li> <li>▪ ethnic minorities (such as Roma people or others)</li> </ul> <p>people without land or use rights under local legislation</p>

### 3 Key resettlement principles and application

ESS5 establishes key principles to be followed in resettlement planning and implementation, as follows:

- a) All displaced persons are entitled to compensation for land and attached assets, or to alternative but equivalent forms of assistance in lieu of compensation; lack of legal rights to the assets lost will not bar displaced persons from entitlement to such compensation or alternative forms of assistance.
- b) Compensation rates refer to amounts to be paid in full to the eligible owner(s) or user(s) of the lost asset, without depreciation or deduction for fees, taxes, or any other purpose.
- c) Compensation for land, structures, unharvested crops, and all other fixed assets should be paid prior to the time of impact or dispossession.
- d) When cultivated land is to be taken for project purposes, the [name of implementing agency] seeks to provide replacement land of equivalent productive value if that is the preference of the displaced persons.
- e) Community services and facilities will be repaired or restored if affected by the project.
- f) Displaced persons should be consulted during preparation of the RP, so that their preferences are solicited and considered.
- g) The RP (in draft and final versions) is publicly disclosed in a manner accessible to displaced persons.
- h) A grievance mechanism by which displaced persons can pursue grievances will be established and operated in a responsive manner.
- i) Negotiated settlement processes are acceptable as an alternative for legal expropriation if appropriately implemented and documented.
- j) Land donation is acceptable only if conducted in a wholly voluntary manner and appropriately documented.
- k) The [name of implementing agency] bears official responsibility for meeting all costs associated with obtaining project sites, including compensation and other considerations due displaced persons. The RP includes an estimated budget for all costs, including contingencies for price inflation and unforeseen costs, as well as organizational arrangements for meeting financial contingencies.
- l) Monitoring arrangements will be specified in the RP, to assess the status and effectiveness of RP implementation.

#### 3.1 Potential for Land Acquisition/Resettlement and the Screening Process

The proposed Project activities are likely to include land acquisition, economic displacement and restricted access to land or/and assets (sometimes) during the Project implementation or permanently. Considering the specifics of planned Project activities, economic displacement may be caused by temporary road closures for works on slopes, road reconstruction or

similar. Such works are most likely with road upgrade (under the sub-component 1.1) taking place in a rural area stretching along Drina and Tara rivers, where tourism and agriculture are important sources of income as well as supplementing the household budget from forest and river products (fishing, collecting forest fruits and timber, etc.). As exact locations are unknown, the extent of the possible impact is unknown, however, it is possible that works may cause impeded access to agricultural fields and access to riverbanks (where potentially tourism or hospitality facilities are located). In addition, land acquisition is possible due to construction of bypasses, new alignments that entail new sections of roads, but also viaducts, bridges, tunnels, etc. The project can also cause a wide range of implications related to restricted access, from restricted access (temporarily or permanently) to houses, agriculture land, or businesses due to road furniture required for increasing road safety, restricted access to informal entrances to natural areas (forests, riverbanks). Restricted access impact also includes costs of using alternative routes (e.g. to bridge access to markets, work, social services) that are created to mitigate effects of partial or full road closures, but may trigger additional costs for the service provider and/or passengers, can cause delays, etc. Physical displacement has not been identified yet under the Project, but cannot be excluded at the point of Project preparation. To some extent, tentative list of subprojects has been identified under sub-components 1.1 and 1.2, but are not yet mature for implementation (require significant design revisions, that ultimately also (re)define sub-project location).

Prior to the submission of subprojects for funding consideration, the PIU under Putevi RS will carefully screen the proposed subprojects (as the part of the E&S Screening and related reporting) to assess whether or not land acquisition may be required and to what extent. It is important to take into consideration during such screening that even though the planned project activities may not lead to impacts in terms of land acquisition or physical displacement, preparatory investment activities foreseen during the project preparation period as well as rehabilitation works within the existing footprint, investigating and works on auxiliary road elements and road furniture (such as slope stabilization, site clearance or construction of access roads, geomechanical investigation, road rehabilitation,) may involve temporary land acquisition or temporary occupation of land, in which case the Putevi RS must ensure that such preparatory activities are also in compliance with the requirements of this RPF. Further, the E&S screening will include identification of potential economic displacement and restricted access to land, assets and other related implications. In the case, aforementioned social implications are identified, PIU will carry out a baseline-survey or a census to assess these impacts.

Following the E&S screening process and consequent determination of potential impacts (based on census and/or baseline surveys) and the need for RAP, Putevi RS shall report the findings of the screening process to the WB (subject to WB Social Specialist approval) and prepare site-specific RAPs, ensuring that all project activities adhere to the requirements of this RPF. The screening should be performed based on a site visit and relevant documentation (project design, expropriation study, etc.). The screening form can be found in the Annex D.

The RAPs will be submitted to the WB for review and approval.

### **Overview (step-by-step) of the screening procedures**

Step 1: The PIU Social Specialist screens (the need for land acquisition and resettlement, livelihood loss, etc.) any sub-project or activity proposed for financing and implementation under the Project (or as Associated Facility (AF)).

Step 2: Based on the available information, PIU Social Specialist carries out a pre-assessment whether the sub-project has elements that trigger preparation of RAP, in line with RPF and ESF requirements.

Step 3: The PIU Social specialist visits the site, meets relevant stakeholders, engages with the relevant competent authorities, and carries out necessary desk review. The collected information and activities are assessed against the ESS5 requirements.

Step 4: If the pre-assessment confirms that land acquisition or resettlement will be required, then RAPs are required for the proposed site-specific activity. RAPs shall be prepared following principles and guidelines of this RPF, subject to WB's approval.

#### 4 WORLD BANK REQUIREMENTS

The World Bank's ESS5 on Land Acquisition, Restrictions on Land and Involuntary Resettlement recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons. Project-related 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), restricted access or all mentioned. This loss does not need to be permanent to be a subject of ESS5. **The objectives of ESS5, in relation to the land, assets and access related risks are:**

- To avoid or minimize adverse impacts from land acquisition and restrictions on land use associated with project development,
- If physical or economic displacement cannot be avoided, displaced persons (as defined in the ESS5) are compensated,
- Compensation is made at the replacement cost for land and other assets, and otherwise assisted as necessary to improve or at least restore displaced persons' incomes and living standards,
- To avoid forced eviction,
- 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 warrants,
- To ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.

The term ‘**displaced persons**’ under WB ESF, ESS5, incorporates all potential categories of persons affected by land acquisition and associated impacts; all of those adversely affected are considered “displaced” under this definition regardless of whether any relocation is necessary. The categories of displaced persons as defined in the ESS5 are presented in the Table 1 below:

Table 1: Displaced persons according to ESS5

	Displaced Persons according to ESS5	Rights
a)	Those who have formal legal rights to land or assets (i.e., those who have formal documentation under national law to prove their rights, or are specifically recognized in national law as not requiring documentation)	Compensation for loss of land or assets + Resettlement and livelihood assistance
b)	Those who do not have a claim to land or assets that is recognized or recognizable under national law; in other words, they do not have formal legal rights to land or assets, but have claim to land or assets on other basis (e.g. those who have been using the land for generations without formal documentation under customary or traditional tenure arrangements that are accepted by the community and recognized by national law, or those who have never been provided formal title or their documents may be incomplete or lost)	
c)	Those who have no recognizable legal right or claim to the land or assets they occupy or use (e.g. seasonal resource users, such as herders, grazers, fishers, hunters, or persons occupying land in violation of applicable laws)	Not eligible for compensation for land, but eligible for resettlement and livelihood assistance  and  compensation for assets owned

The key requirements of ESS5 may be summarized as follows:

- Involuntary resettlement should be avoided where possible. Where unavoidable, it will be minimized and appropriate measures to mitigate adverse impacts on displaced persons (and on host communities receiving displaced persons) will be carefully planned and implemented.
- All feasible alternative project designs should be considered to avoid or minimize land acquisition or restrictions on land use, while balancing environmental, social and financial costs and benefits, and paying particular attention to gender impacts and impacts on the poor and vulnerable;
- Negotiated settlements with affected persons are encouraged to help avoid administrative or judicial delays associated with formal expropriation, and to the extent possible to reduce the impacts on affected persons associated with formal expropriation;
- When land acquisition or restrictions on land use cannot be avoided, the Borrower will offer affected persons compensation at replacement cost, and other assistance as may be necessary to help them improve or at least restore their standards of living or livelihoods;
- The Borrower will not resort to forced evictions of affected persons. “Forced eviction” is defined as the 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. The exercise of eminent domain, compulsory acquisition or similar powers by a Borrower will not be considered to be forced eviction providing it complies with the requirements of national law and the provisions of ESS5, and is conducted in a manner consistent with basic principles of due process.
- Disclosure of relevant information and meaningful participation of affected communities and persons will take place during the consideration of alternative project designs, and thereafter throughout the planning, implementation, monitoring, and evaluation of the compensation process, livelihood restoration activities, and relocation process;
- The Borrower will ensure that a grievance mechanism for the project is in place as early as possible in project development to address specific concerns about compensation, relocation or livelihood restoration measures raised by displaced persons (or others) in a timely fashion.

- Where land acquisition or restrictions on land use are unavoidable, the Borrower will conduct a census/baseline-survey to identify the persons who will be affected by the project, to establish an inventory of land and assets to be affected, to determine who will be eligible for compensation and assistance, and to discourage ineligible persons, such as opportunistic settlers, from claiming benefits.

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The Project cannot and will not be designed to restrict access to natural resources in legally designated parks and protected areas, in the implementation phase. If this takes place, steps will be taken for the Project to re-design of project components, determine measures necessary to achieve the objectives of the ESS5, and define adequate implementing and monitoring of relevant project activities. These steps may include Project restructuring.

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## 5 LEGAL FRAMEWORK IN REPUBLIKA SRPSKA

## 5.1 Legal Framework in RS

Land acquisition in Republika Srpska is regulated by the Law on Expropriation of Republika Srpska (OG 112/06, 37/07,66/08, 110/08, 79/15). This law defines the conditions and procedures for expropriating property for the construction of facilities in the public interest. It also covers compensation eligibility and amounts, handling of grievances, dispute resolution, and other issues related to the expropriation process. Further details about the requirements of this law can be found in the Resettlement Policy Framework developed for this Project.

## Law on Expropriation of RS

The key provisions of the Law on Expropriation of RS<sup>2</sup> are summarized in Table 1 below.

Table 2: Key Provisions of the RS Law on Expropriation

Subject	Key provisions
<i>Public interest</i>	Expropriation can be carried out for the needs of the Republika Srpska and local self-government units, unless otherwise specified by law. Property can only be expropriated after public interest is declared for a project. The Law lists several structures the construction of which justifies expropriation. Public interest is declared by a decree, a law or a spatial plan.
<i>Pre-condition to start expropriation</i>	Expropriation can only be started after the required funds have been secured and deposited with the bank in the assessed total sum for payment, or proof of existence of replacement properties provided.
<i>Types of expropriation</i>	<p>Expropriation may be complete or incomplete:</p> <p>Complete expropriation allows the expropriation beneficiary to obtain legal title over the expropriated property, while the rights of the previous owner over the property as well as other rights over that property cease to exist.</p> <p>Incomplete expropriation does not entail change of ownership of land (in cases such as laying of water pipelines). It provides the beneficiary with usufruct rights on the land and structures, as well as the lease of the land for a definite period. At the end of the lease, usufruct rights over land are returned to the previous owner. Incomplete expropriation can establish an easement on land and a building, as well as a lease on land for a certain period of time (incomplete expropriation). A lease can be established only in the case when the land, considering the purpose for which the lease is proposed, is used for a limited time, up to five years at most (for the purpose of: exploration of mineral and other treasures). A lease on agricultural land for the surface exploitation of industrial and other mineral raw materials is established if that land can be brought back to its original culture after the exploitation is completed and if the establishment of a lease is more socially and economically justified than the complete expropriation of that land. If, as a result of the use of the land based on the lease, the culture of the land is destroyed so that it cannot be used in the way it has been, the owner may demand that full expropriation be carried out. This claim must be submitted to the competent authority within one month after the termination of the lease.</p>
<i>Right to request expropriation of remaining unviable land</i>	Landowners affected by a partial loss of their property are entitled to request complete expropriation and the corresponding compensation, in case partial expropriation would deteriorate the economic situation of the actual property owner or make the remaining part of the property useless or difficult to use. Owners must be informed of such right. Such request may be submitted until the Decision on Expropriation is issued in the first instance, as well as

<sup>2</sup> Official Gazette of RS, No. 112/06, 37/07, 110/08, 79/15

	during the appeal procedure if the affected owner was not informed of such right.
<i>Temporary occupation of land</i>	Land that is needed for the construction of buildings or for the performance of other works of general interest (for the purpose of housing workers, materials, machines, etc.) can be temporarily occupied, under the Law. Land occupation must be requested by a formal proposal indicating its purpose, the property proposed to be used, the owner of the property and the duration. Compensation must be provided in the amount of lease at market prices.
<i>Negotiations</i>	The Law explicitly encourages negotiated settlements, thus enabling the expropriation beneficiary and property owner to agree on transfer of ownership and compensation during the entire process.
<i>Timing of Compensation</i>	Compensation must be provided prior to formal transfer of ownership.
<i>Preferred type of compensation</i>	<p>According to the law, when property is expropriated, the preferred compensation is an equivalent property in the same municipality or city that has a similar market value and similar conditions of usage as the expropriated property. If the property owner does not accept an equivalent property or if the expropriation beneficiary cannot provide one, fair compensation in cash must be determined. This cash compensation should be no less than the market price of the expropriated property at the time of the first-instance decision on expropriation or at the time of concluding the sale-purchase agreement.</p> <p>The Law also defines the method of determining compensation for orchards, forests and agricultural plantations, etc.</p>
<i>Additional Compensation</i>	<p>The personal and family circumstances of the (former) owner of the expropriated real estate will be taken into account as a corrective to the increase in the amount of the determined compensation. This will be done in the following cases: (i) if these circumstances are of essential importance for the material existence of the former owner, and especially in the case if it is due to the expropriation of a large part and all of the land or business premises in which if the previous owner was carrying out a permitted business activity, (ii) owner's material existence is threatened, as well as in the case when, due to expropriation, (ii) the members of the agricultural household have to move from the area where they lived or stayed.</p> <p>Compensation can also be increased in the case of lost profit: the former owners are entitled to the lost profit they would have earned if they had continued using the expropriated property. Lost profits are calculated from the date the owner lost possession of the property until the date he/she received compensation.</p> <p>Both types of entitlements are defined on a case by case basis.</p>
<i>Compensation eligibility</i>	<p>The owners of buildings and land registered in the Land Register, known as formal property, are entitled to receive compensation at market value as a rule.</p> <p>If a facility is constructed illegally, the owner is entitled to compensation equal to their investments if the conditions for the facility's legalization had been met at the time of the investment. However, this does not apply to facilities illegally constructed after the submission of the proposal for expropriation.</p>



<i>Access to property</i>	In order to take control of a property, a formal Decision on Expropriation must be made, and substitute property or compensation must be provided. However, for infrastructure projects, the Government may issue a Decree allowing the beneficiary to take possession of the property before the final Decision is made, if urgency or avoiding considerable damage is necessary. If the expropriation proposal is later rejected, the expropriation beneficiary must compensate the owner for any damage caused by gaining possession of the property.
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### Expropriation Procedure under the RS legislation

The process of expropriation involves several steps, as follows:

1. Initially, the expropriation beneficiary must invite the property owners to engage in negotiations to reach a settlement.
2. If a settlement is reached, a notarized purchase agreement for the transfer of legal title is concluded.
3. If no settlement is reached, the expropriation beneficiary can file a proposal for expropriation with the Administration for Ownership Affairs.
4. After receiving the proposal, the Administration must notify the owners that the expropriation procedure has been initiated and warn them that they will not be entitled to compensation for costs of their investments in land or buildings made after they received written notification that the expropriation procedure had commenced, except for the costs of regular maintenance.
5. The Administration must then meet with the owners to discuss expropriation and inform them of their right to file a request for expropriation of the remaining unviable part of the property.
6. If there are discrepancies between the land registry data and the actual ownership situation, the Administration must resolve these issues before proceeding further.
7. The Administration issues a Decision on Expropriation, which the property owner can appeal to the RS Administration for Geodesy and Legal Property Affairs.
8. If still unsatisfied, the property owner can initiate an administrative dispute before the court.
9. Once the Decision on Expropriation becomes final, the Administration must invite the property owner to agree on the amount of compensation.
10. If an agreement is reached, a formal agreement is signed. If no agreement is reached within 2 months, the Administration refers the case to the court to determine the compensation.
11. Finally, the formal transfer of legal title in the land register is carried out based on a valid Decision and proof of payment of compensation or proof that the previous owner has acquired ownership over other corresponding property.

### Other Relevant Legislation of RS

- The *Law on Real Property Rights of RS (124/ 08, 3/09, 58/09, 95/11, 60/15, 107/19, 1/2021 - US decision and 119/2021 - US decision)* This law regulates the acquisition, use, disposal, protection and termination of property rights, other real rights and state property. Real rights include the right of ownership, the right of construction, the right of lien, the right of real and personal servitude and the right of real encumbrance.
  - The Law defines immovable property as everything that is built on the surface of the land, above or below it, and is intended to remain there permanently, or is incorporated into the immovable property, added to it, superimposed on it or in any other way permanently connected to it and is part of that immovable property as long as does not separate from him. Grass, trees and fruits are integral parts of the land, until they are separated from it.
  - Buildings and other structures that are permanently connected to that land are not parts of the land if they are legally separated from it by a real right that gives its holder the right to own such a building or other structure on that other's land (right to build).
  - Machines and similar devices that are physically connected to immovable property or that are considered an essential part of it are considered independent things if it is registered in the appropriate public register that they are the property of a third party. The rights that exist in favor of an immovable property belong to that immovable property.
  - Article 58 states that the occupant acquires right of ownership over real property which is in the ownership of another person, upon 10 years of conscientious and legal occupancy, or upon 20 years of conscientious occupancy. Article 59 states that a conscientious person who builds a structure on land over which another person has formal rights, is entitled to acquire the land on which the structure has been built, if the land owner did not oppose to the construction. The land owner is in this case entitled to request only the compensation of the market value of the land.

- The *Law on Spatial Development and Construction of RS (40/13, 106/15, 3/16 and 84/19)* the latest iteration of the law does not contain detailed procedure of legalization of structures built without the necessary permits. It does however require proof of the legality of the existing building, if it is an extension, upgrade and change of purpose of the existing building, as a precondition of issuing location permit.
- *The Law on Legalization of Illegally Constructed Buildings (OG 62/2018, 93/22)* regulates the conditions and procedure for legalizing illegally built buildings. The changes made in the 2022 version made all buildings built before 1991 legal.
- *The Law on Agricultural Land of RS (OG 93/06, 86/07, 14/10, 05/12 and 58/19)* prohibits the use of agricultural land for non-agricultural purposes, but exceptionally allows the expropriation of such land if public interest has been established for the construction of facilities in defined areas (including communal infrastructure).
- *The Law on Extra-Judicial Proceedings of RS (OG 36/09 and 91/16)* prescribes the rules by which courts decide upon personal, family, property-related and other rights and legal interests resolved in extra-judicial proceedings. The courts determine the amount of compensation for expropriated property in extra-judicial proceedings. The petitioners may conclude an agreement about the compensation form and range.
- *The Law on General Administrative Procedure of RS (OG 13/02, 50/10 and 66/18)* regulates the procedures applied by administration bodies in deciding upon citizens' rights and obligations within the framework of administrative procedures. Parties are entitled to appeal against decisions adopted in the first instance. Only the Law may prescribe that appeals are not permitted in certain administrative issues, if the protection of rights and legality is ensured in some other way. Gives the possibility to appoint a temporary representative if a party does not have a legal representative or if an action is to be taken against a person whose place of residence is unknown, and who does not have a proxy.
- *The Law on Land Survey & Cadaster of Property in RS (OG 6/12, 110/16 and 62/18)* regulates survey of land, buildings and other structures, establishment and maintenance of registry of land, buildings and other structures, records and registration of property. Records of property possessors are kept in the land registry.
- *The Law on Social Protection of RS (OG 37/12, 90/16, 94/19 and 42/20)* regulates social welfare, which in terms of this law is considered an organized activity in RS, aimed at ensuring the social security of its citizens and their families in need. The persons or families in need due to forced migration (among others) are entitled to a temporary, one-off and other financial assistance or natural assistance if they meet two conditions (i.e. they do not have enough income to support themselves; and ii. They do not have family members who are legally obligated to support them, or if they have, that these persons are not able to support them).
- *The Law on Tourism of RS (OG 45/2017 and 16/2023)* regulates tourism activity, promotion, work of tourism institutions, etc. However, it does not define circumstances of impediment of tourism activity due to works of public interests or related compensations.
- *The Law on Obligation Relations (OG 29/1978, 39/1985, 45/1989 - decision USJ and 57/1989, OG 17/1993, 3/1996, 37/2001, 39/2003 i 74/2004)* This law regulates the obligation relationships arising from contracts, damage caused, acquisition without grounds, management without warrant, unilateral declaration of will and other facts established by law. The Law mandates that the parties in obligation relations have equal rights and everyone is obliged to refrain from actions that can cause damage to others.

## 5.2 Gaps and mitigating actions (measures)

The legislation in RS provides a suitable framework for carrying out resettlement and compensation activities in line with World Bank (WB) requirements. Table 2 below outlines the main differences between local legislation and WB requirements, as well as the solutions provided by this RPF. The variations between ESS5 and the local legislation can be addressed through negotiations, as encouraged by the legislation, to avoid formal expropriation for both formal and informal owners/users.

Table 3: Analysis of gaps and measures to bridge gaps

Issue	Gap	Measures to bridge the gap
Avoiding involuntary resettlement	<p>The Law on Expropriation does not specifically mention avoidance of involuntary resettlement and thus does not encourage public authorities to seek such avoidance. However, the authorities as the beneficiaries of expropriation have the legal obligation to seek to achieve negotiated settlements under the Law.</p> <p>Furthermore, project designing processes in the past have consistently sought to avoid or minimize resettlement and expropriation in practice within efforts to reduce costs.</p>	<p>Maximum efforts will be made to sign negotiated settlements with project affected persons in order to avoid expropriation, and such efforts shall be documented, as defined under the “Key Principles and Commitments” chapter of this RPF.</p>
Resettlement planning and implementation	<p>The Law on Expropriation has no explicit requirements related to socio-economic surveys or development of resettlement plans. However, with a view of facilitating expropriation in an early phase, the Law requires the development of an expropriation study which includes a geodetic/cadastral plan of the area identified for expropriation, list of affected owners and properties, evaluation of the property value, and other related information. The scope of the expropriation study is not identical to the baseline assessment as required by ESS5.</p>	<p>As defined under the “Key Principles and Commitments” chapter of this RPF, RAPs will be prepared for all subprojects that entail resettlement.</p> <p>The development of the RAPs will also include a socio-economic survey and census which will identify both formal and informal land/property users as well as vulnerable persons/ households.</p>
Cut-off date	<p>There are no differences with respect to determining the cut-off date (the date or after which persons who take residence in the project area are not eligible to a compensation and/assistance) between ESS5 and the local legislation.</p> <p>However, local legislation has no requirement to communicate the cut-off date throughout the project area.</p>	<p>As defined under the “Key Principles and Commitments” chapter of this RPF, the cut-off date will be communicated (i) in the local media, (ii) at consultation meetings.</p>
Compensation for displaced persons	<p>There are no differences between ESS5 and the Law on Expropriation with respect to the principle of determining the <i>type</i> of compensation, given that the Law favors allocation of a replacement property of equal value, and if the beneficiary of expropriation does not have appropriate property, it will offer cash compensation at <i>fair value not less than the market value</i> of the property.</p> <p>However, there are two major differences between ESS5 and the Law on Expropriation;</p> <p>The <u>first</u> difference is the category of persons who are entitled to compensation. The Law refers mainly to formal owners of property with some exceptions for informally built residential structures.</p> <p>The <u>second</u> difference lies in the fact that ESS5 requires compensation at replacement cost, whereas the Law requires compensation at market value of property, and does not explicitly refer to compensation for any registration costs etc. However, it should be noted that “fair compensation” mentioned in the Law may provide the possibility of determining full compensation (i.e. the possibility of increasing market value to replacement value).</p>	<p>Compensation will be provided in line with ESS5 requirements, as defined under the “Key Principles and Commitments” chapter. Specific entitlements are listed in the Entitlements Matrix.</p>

Economic displacement	<p>The Law on Expropriation does recognize the right of (formal) owners to <i>compensation of lost profit</i> which they would have made through former use of properties during the period from their transfer until the point when they gained access to replacement properties. Thus, e.g., the formal owner of a business structure is entitled to compensation for any loss of income until he/she is able to fully restore business activities.</p> <p>However, the Law does not foresee compensation for economic displacement to the same extent as ESS5 (e.g. compensation for loss of services and informal income, informal owners/users who will be economically displaced, ensuring a system of assistance, etc.).</p>	<p>Compensation will be provided in line with ESS5 requirements, as defined under the “Key Principles and Commitments” chapter. Specific entitlements are listed in the Entitlements Matrix.</p>
Restoration of livelihood (Restrictions to land use)	<p>Legislation does not foresee compensation of lost profit in the case of restrictions on land use. ‘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 other common property resources, and restrictions on land use within utility easements or safety zones (e.g. due to temporary road closure) or due to impeded access (e.g. due to traffic jams caused by works) for neither formal no informal workers.</p> <p>The Project, as currently designed, cannot and will not restrict access to natural resources in legally designated parks and protected areas.</p> <p>Restrictions on land use also includes limited use of public infrastructure and related costs, e.g. costs for businesses and individuals related to use of alternative solutions (when for instances the roads are closed). The Law does not address these costs.</p>	<p>Establishing losses due to restrictions of land use will be established through use of census or baseline-surveys in preparation offsite-specific RAPs. Compensation will be provided in line with ESS5 requirements, as defined under the “Key Principles and Commitments” chapter. Specific entitlements are listed in the Entitlements Matrix.</p>
Vulnerable groups	<p>There are no specific provisions in the Law on Expropriation which require consultations with and providing assistance to vulnerable groups in the expropriation process.</p> <p>In practice, impacts on socially disadvantaged persons are to a certain extent mitigated through social welfare measures implemented at local government level and social welfare centers, as well as by applying specific legal remedies regulated by the Law in the form of increased compensation for expropriated properties to formal owners, and in each specific case taking into account the social status, financial situation, unemployment, income level, etc.</p>	<p>Appropriate measures will be applied in line with this RPF and site-specific RAPs. Identification of vulnerable groups will be a part of site-specific baseline surveys.</p>
Grievance mechanism	<p>While the Law on Expropriation does envisage the right of affected population to file complaints in various phases of the expropriation procedure, there is no requirement for establishment of an independent grievance mechanism to process complaints related to specific projects.</p>	<p>A grievance mechanism in line with ESS5 will be established as described under the “Grievance Mechanism” chapter of this RPF.</p>
Participation/ consultations	<p>Several articles of the Law on Expropriation stipulate notifying of/consultation with property owners and stakeholders. However, there is no requirement to ensure involvement of all affected population from the earliest phase.</p>	<p>Disclosure of information and consultations will be carried in out in line with the requirements of this RPF.</p>

## 6 KEY LAND ACQUISITION / RESETTLEMENT PRINCIPLES AND COMMITMENTS

The following principles of resettlement and land acquisition will be adhered to in relation with Project implementation:

1. **Compliance with RS legislation and WB requirements**  
Any involuntary acquisition of property, restriction of access to assets or resettlement that may arise in conjunction with the implementation of subprojects will be conducted in compliance with the applicable legislation in RS, the requirements of ESS5, this RPF and good international practice. In the case the RS or applicable BiH law differs from ESS5, the stricter one will prevail.
2. **Avoiding or minimizing resettlement**  
Involuntary resettlement will be avoided where feasible, or minimized, exploring all viable alternative project designs.  
  
To the extent possible, amicable negotiations and agreements with PAP will be sought to avoid or minimize the extent of involuntary resettlement.
3. **Resettlement Action Plans (RAPs)**  
Where it is not feasible to avoid resettlement, the procedures and requirements outlined in this RPF will be followed in the preparation and implementation of site-specific RAPs for each of the locations/sites where resettlement is expected.  
  
During the preparation of RAPs, a census and baseline survey will be conducted in order to determine the number of people affected, their average income and standard of living, employment rate and general health condition, earning of businesses if applicable, etc., and establish who shall be eligible for compensation and assistance.
4. **Cut-off date**  
The cut-off date for the establishment of eligibility for formal landowners will be the date of submission of proposals for expropriation by the expropriation beneficiary to relevant authorities (as stipulated by the Law on Expropriation), and the cut-off date for informal owners not recognized by the local legislation will be the commencement date of the baseline survey.  
  
The cut-off date will be publicly disclosed in the local media and consultation meetings, with an accompanying explanation. Communicating cut-off date will be in all relevant languages (including Romani dialects) and in the way and means that will make the communication meaningful and appropriate.  
  
Persons who have settled in the Project area after the cut-off date will not be eligible for any compensation, but will be given sufficient advance notice, requested to vacate premises and dismantle affected structures prior to project implementation. The materials of their dismantled structures will not be confiscated and they will not pay any fine or suffer any sanction.
5. **Improving livelihoods and standards of living**  
Livelihoods and standards of living of affected persons shall be improved or at least restored to pre-displacement levels or to levels prior to the beginning of Project implementation, whichever is higher, in as short a period as possible.
6. **Compensation**  
All owners, occupants and users of affected properties at the time of the cut-off date, whether with or without fully recognized ownership rights, and whether the land use and restrictions/displacement will be permanent or temporary, will be eligible for certain type of compensation or assistance as outlined in the Entitlements Matrix (Table 3 of this document). All three possibilities, loss of shelter (physical displacement), loss of livelihoods (i.e. “economic displacement”), and restriction in land use, shall be taken into account and mitigated.  
  
Compensation eligibility will be limited by a cut-off date to be set for each subproject on the date of submission of proposals for expropriation for formal owners, and on the day of the beginning of the baseline survey for any informal users.

Compensation will always be in effect prior to land entry or taking of possession over property by the expropriation beneficiary. The land cannot be taken physically (i.e. any civil works or construction cannot start) before compensation has been paid to the affected persons. In the case of absentee owners (e.g. people with legal rights to the land but who are living elsewhere), they will still be eligible for compensation and the implementing agency should make, and document, good faith efforts to find them and inform them about the process. These efforts may include efforts to reach them through their neighbors, publication of an ad in newspapers informing about the process, etc. If they cannot be found, and in accordance with local requirements, the compensation amount must be allocated in an escrow account and be readily available should the absentee owner reappear.

In case there any legal issues related to the ownership of a property, the compensation amount must be allocated in an escrow account and be readily available once the legal issues related to the ownership had been resolved.

In accordance with the WB requirements and principles of the RS Law on Expropriation, for any displaced persons whose livelihoods are land-based, preference will be given to land-based resettlement strategies to the extent possible. Whenever replacement land is offered, affected persons should be provided with land for which the combination of productive potential, location-specific advantages and other features is at least equivalent to those of the land to be taken for Project needs. However, payment of cash compensation for lost assets may be appropriate where livelihoods are land-based or access-based, but the land to be acquired for the Project represents a small fraction of the affected plot and the residual part is still economically viable; where active markets for land or housing exist and there is sufficient offer of land and housing; or in case of livelihoods that are not land-based. Cash compensation will be provided at replacement cost. The replacement cost includes the amount sufficient to replace lost assets and cover transaction costs (e.g. administrative, registration, transaction fees, transfer taxes, legalization fees, etc.). In determining the replacement cost, depreciation of the asset will not be taken into account.

Cash compensation is also viable option in the case of temporary restriction in use of land or assets.

In case a business is affected, livelihood restoration assistance will be based on the income lost during the period required to re-establish the business elsewhere, to be assessed on a case-by-case basis.

#### 7. Information disclosure and consultations

All affected persons and any new host communities will be informed, meaningfully consulted and encouraged to participate in the planning, RAP development, resettlement implementation and evaluation. Affected people will be informed about their options and rights pertaining to resettlement, and consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives.

All directly affected persons (owners, occupants and users) will be visited and explained the land acquisition process and the specific impacts on their land.

Access to information and assistance for vulnerable persons/households will be facilitated by the Putevi RS PIU according to the specific needs of such persons, on the basis of case-by-case screening to be carried out with support from the relevant municipal social departments.

In addition, the Putevi RS PIU will disclose this RPF and any future RAPs to municipalities on whose territory land acquisition may take place (in both English and local language, and language of Roma if appropriate), and assist the municipalities in understanding the requirements set out in these documents. The involved municipalities will keep hard copies of both documents in their premises for public review. The Putevi RSa, in cooperation with local authorities, will ensure that procedures for submitting grievances are communicated and available to PAP at municipal level.

- 8. Temporary occupation of land**  
Short-term impacts related to temporary occupation of land for construction purposes will be compensated in accordance with the local legislation on expropriation, as well as in accordance with the requirements of ESS5 for any informal owners/users affected by such temporary land occupation, as stipulated in the Entitlements Matrix (Table 3 of this document).
- 9. Assistance to vulnerable persons**  
Particular attention and consideration must be paid to the needs of vulnerable groups. Vulnerable people will be identified and appropriate measures for providing support to such people will be incorporated in the RAPs, based on the personal situation of such vulnerable people. An indicative list of such measures includes but is not limited to: individual meetings to explain eligibility criteria and entitlements, assistance during the payment process (ensuring that compensation documents and payment process are well understood), supplemental social assistance, support for removal and transportation of materials, etc.
- 10. Restricted access to land**  
Eligible to compensation include also those that due to Project have temporarily restricted access to land or assets or other use including (i) communities or groups losing access to resource usage where they have traditional or customary tenure, or recognizable usage rights; (ii) communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas. Under this Project such can be local communities with restricted access to rivers, docks, forests, grazing for their cattle, etc.
- 11. Relocation assistance**  
Relocation assistance should cover the cost of moving furniture and other personal belongings in case of physical resettlement of households, and the costs of transfer and reinstallation of equipment, machinery or other assets for affected businesses. Where applicable, the moving assistance should also include support to cover the cost of identifying and securing a new dwelling, as well as other relocation costs such as the cost of transferring utilities to the new address.
- 12. Grievance mechanism**  
An effective grievance mechanism will be in place for receiving and addressing in a timely fashion specific concerns about compensation and relocation raised by displaced persons, in the manner described in more detail in Chapter 9 of this RPF.
- 13. Monitoring and evaluation**  
The Putevi RS PIU will monitor and evaluate the implementation of the RAPs, both through internal, official institutional arrangements, as well as through an independent, external monitor, in the manner described in more detail in Chapter 10.3 of this RPF.



## 7 PREPARATION OF RESETTLEMENT ACTION PLAN

### 7.1 Preparing a Resettlement Action Plan

All projects causing physical or economic displacement through land acquisition or project-related restrictions on resource access or use are required to prepare a resettlement plan for World Bank approval. Responsibility for preparation and implementation of the Resettlement Action Plan (RAP) rests with the Putevi RS. As necessary, Putevi RS will exercise its authority to coordinate actions with any other involved agencies, jurisdictions, or project contractors to promote timely and effective planning and implementation.

RAP preparation begins once the physical footprint of a proposed investment has been determined, establishing (by conducting the screening of the site as per the screening form in the Annex D) that a particular site (or sites) must be acquired for project use. Putevi RS initially screens proposed sites to identify current usage and tenurial arrangements and identifies the site (or sites) that will minimize physical and economic displacement. Putevi RS subsequently carries out, or causes to be carried out, a census survey to identify and enumerate all displaced persons on the selected site (or sites) and to inventory and value land and other assets that are to be acquired for project use.

Each RAP is based on the principles, planning procedures, and implementation arrangements established in this RPF and normally includes the following contents:

- a) Description of the project (with appropriate maps and illustrations), including explanation for the necessity of acquiring particular sites for project use and efforts undertaken to avoid or minimize the amount of land acquisition or other potential impacts deemed necessary
- b) Results of a census survey of displaced persons and inventory and valuation of affected land and assets
- c) Description of any project-related restrictions on resource use or access
- d) Description of tenure arrangements, including collective, communal, or customary use or ownership claims
- e) Review of relevant laws and regulations pertaining to acquisition, compensation, and other assistance to displaced persons, and identification of gap-filling measures needed to achieve ESS5 requirements
- f) Description of land and asset valuation procedures and compensation standards for all categories of affected assets
- g) Eligibility criteria for compensation and all other forms of assistance, including a cutoff date for eligibility
- h) Organizational arrangements and responsibilities for RP implementation
- i) Implementation timetable
- j) Estimated budget and financial contingency arrangements
- k) Consultation and disclosure arrangements
- l) Description of grievance mechanism
- m) Arrangements for monitoring implementation progress.

Detailed content requirements are available in the Annex A.

The RP should be complemented by a separate set of individual compensation files for each displaced household or persons. These files are to be handled confidentially by the borrower to avoid any prejudice to displaced persons.

Eligibility criteria for compensation and all other forms of assistance should be clearly summarized in a table that can be used for consultation with displaced persons.

Additional planning measures must be incorporated into RAPs for projects causing physical displacement, or significant economic displacement, as described below.

For projects causing physical displacement, the RP should include planning measures relating to the following, as relevant for project circumstances:

- a) Description of relocation arrangements, including options available to displaced persons, and including transitional support for moving or other expenses
- b) Description of resettlement site selection, site preparation, and measures to mitigate any impacts on host communities or physical environment, including environmental protection and management
- c) Measures to improve living standards and otherwise address particular needs of relocating poor or vulnerable

households, including measures to ensure that replacement housing is at least consistent with minimum community standards and is provided with security of tenure

- d) Description of project design measures to improve living standards, access to or functioning of community services or facilities, or for providing other project-related benefits
- e) Any measures necessary to address impacts of resettlement on host communities.

For projects causing significant economic displacement, the RP describes (as relevant):

- a) The scale and scope of likely livelihoods-related impacts, including agricultural production for consumption or market, all forms of commercial activity, and natural resource use for livelihoods purposes
- b) Livelihoods assistance options (for example, employment, training, small business support, assistance in providing replacement land of equivalent productive value, other) available to persons losing agricultural land or access to resources
- c) Assistance measures available to commercial enterprises (and workers) affected by loss of assets or business opportunities directly related to land acquisition or project construction
- d) Project measures to promote improvement of productivity or incomes among displaced persons or communities.

## 8 COMPENSATION AND ENTITLEMENTS

In cases where land acquisition and resettlement cannot be avoided, all PAP shall be entitled to compensation, according to the compensation principles of the RS Law on Expropriation and ESS5 requirements. The whole process must be transparent, publicly disclosed, and defined in detail within the RAPs. The primary criterion for PAP eligibility is that the person or the asset must have been located within a project area before the cut-off date.

According to ESS5, there are 3 categories of persons in terms of compensation eligibility:

- Those who have formal legal rights to land or assets;
- Those who do not have formal legal rights to land or assets, but have claim to land or assets that are recognized or recognizable under national laws; and
- Those who have no recognizable legal right or claim to the land or assets they occupy or use.

This indicates that the persons who have or claim formal rights to land or assets are considered eligible for compensation of the land or assets they lose, as well as other assistance such as moving allowance and support after resettlement, whereas persons who do not have any recognizable legal rights or claims to the land they have been occupying before the acquisition procedure are eligible for resettlement and livelihood assistance.

In case an amicable sale-purchase agreement between the expropriation beneficiary and the affected owner is reached, the Putevi RS must make sure that the agreement is in accordance with ESS5 requirements. No land acquisition (i.e. start of construction) shall take place prior to the provision of all types of required compensation to affected owners.

Compensation entitlements for different categories of eligible persons and assets covered either by the current applicable legislation of RS or by this RPF to bridge the gaps and meet the specific WB requirements are described below in Table 4. This includes PAPs suffering the restricted access to land, assets and other land services and uses.

Table 4: Entitlements Matrix

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY	ENTITLEMENT
<b>HOUSEHOLDS</b>	
Loss of land plot (owner)	Replacement property with similar or same characteristics or Cash compensation for land plot at replacement cost for land plot
Loss of residential structure erected with construction permit on one's own land	Replacement property with similar or same characteristics or Cash compensation at replacement cost + Cash compensation in the amount of construction value for informally built auxiliary structures (sheds, garages, drier, summer kitchens, etc.) + Moving allowance
Loss of residential structure erected with construction permit on one's own land (and informal annexes and upgrades)	Replacement property with similar or same characteristics or Cash compensation at replacement cost for the formal part of the structure and land plot + Cash compensation at construction value for the informal part of the structure and informally built auxiliary structures + Moving allowance
Loss of residential structure erected without construction permit on one's own or someone else's land	Compensation for the land to the owner at replacement cost + Cash compensation at construction value for informally built structures and auxiliary structures (sheds, garages, drier, summer kitchens, etc.) + If the total paid compensation to structure owner is insufficient to build/purchase a new accommodation , the owner of informally built structure is entitled to be provided with an adequate accommodation with security of tenure, if he/she and the members of their family do not own another residential structure or apartment, along with additional assistance as needed, to be assessed on a case by case basis + Moving allowance
Loss of an apartment as a special part of a building (owner)	Replacement property with similar or same characteristics or Cash compensation at replacement cost + Moving allowance
Loss of residential structure/apartment (informal occupant)	Provision of use of alternative accommodation H, with security of tenure, if the occupant has no or no stable sources of income and his/her family does not own other property, along with additional assistance as needed, to be assessed on a case by case basis

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY	ENTITLEMENT
	+ Moving allowance
Temporary land occupation and losses (owner or tenant)	Compensation in the amount of rental obtainable on the market + Cash compensation for loss of assets (such as structures, crops, plantation) + Obligation to restore the land to pre-project condition + Compensation at market value for loss of net income from subsequent crops that cannot be planted for the duration of temporary possession (e.g. compensation for harvest lost at average yield/hectare)
Loss of right of way (owner or tenant)	Compensation for reduced market value of the property <sup>3</sup> + Compensation for any damages to the property
Loss of residential structure/apartment (lessee)	Timely notification of the lessee in order to honor the notice period (as regulated in the lease agreement) + Payment of resettlement costs and compensation for other costs caused by relocation and cash compensation on a one-time basis (transitional allowance) + Provision of replacement structure/apartment for lease or assistance to identify an alternative location + Transitional assistance suited to the needs of each group of displaced persons
Loss of land (informal land possessors)	Cash compensation for loss of assets (crops, irrigation infrastructure and other upgrades on the land) at replacement cost
Loss of annual crops (formal or informal owner of land or tenants/sharecroppers)	Right to harvest crops or (if harvesting is not possible) cash compensation for crops at replacement cost
Loss of perennial crops / orchards (formal or informal owner of land or tenants/sharecroppers)	Right to pick fruits, vegetables, etc. + Cash compensation for perennial plants and trees at replacement cost
Affected livelihood - permanent limitations and prohibitions on the use of agricultural, residential, commercial or other land and ecosystem services	Avoidance of restriction + Finding temporary alternative solution (land or service) +

<sup>3</sup> Reduced market value represents a decrease in value of real estate due to establishment of right of way by the expropriation beneficiary, and is determined on a case-by-case basis. It is paid in the form of cash compensation defined by an official court expert.

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY	ENTITLEMENT
(e.g. fish, forest foods, timber, grazing for cattle)	Compensation to losses identified during the baseline survey
Affected livelihood – due to temporary limitations and prohibitions on the use of agricultural, residential, commercial or other land and ecosystem services (e.g. fish, forest foods, timber, grazing for cattle)	Avoidance of restriction + Finding temporary alternative solution (land or service) + Compensation to losses identified during the baseline survey
Temporary restriction - increased costs to access services and goods, or reduced availability of services (e.g. public transport availability, availability of food, access to markets, access to health care, etc.)	Avoidance of restriction + Finding temporary alternative solution (land or service) + Compensation to losses identified during the baseline survey
<b>BUSINESSES</b>	
Loss of place of business and loss of business (owner of formal business structure)	Replacement property with similar or same characteristics or Cash compensation at replacement cost + Cash compensation at construction value for any informally erected commercial structures (if they exist on the business location) + Cash compensation for costs of the transfer and reinstallation of the plant, machinery or other equipment + Cash compensation for loss of profit as a result of the project (until the restoration of business activities elsewhere), calculated based on average values of business transactions over the past three years recorded in the responsible tax authority
Loss of place of business and loss of business (owner of informal business structure or business structure of temporary character)	Cash compensation at construction value of commercial structure (as existing on the day of the cut-off date) + Ensuring an adequate replacement location for lease to enable continued business transactions, unless the owner has the same or similar business activity elsewhere + Cash compensation for costs of the transfer and reinstallation of the plant, machinery or other equipment + Cash compensation for loss of profit as a result of the project (until the restoration of business activities elsewhere (up to 6 months)), calculated based on average values of business transactions over the past three years recorded in the responsible tax authority; in case of unregistered businesses, the loss of profit to be calculated by official court expert based on comparable business activities in the same or similar location

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY	ENTITLEMENT
Loss of business in a leased structure (lessee)	<p>Timely notification of the lessee in order to honor the notice period</p> <p>+</p> <p>Compensation for all improvements on premises (such as reconstruction, refurbishment etc.) at replacement cost</p> <p>+</p> <p>Compensation for costs of equipment and inventory relocation and re-installation</p> <p>+</p> <p>Cash compensation on a one-time basis (transitional allowance) to be determined on a case to case basis during social survey by obtaining relevant data on income and livelihood. Transitional allowance shall then be determined commensurate with the loss</p> <p>+</p> <p>Provision of replacement premises for lease or assistance to identify an alternative location</p>
Temporary land occupation during construction works (formal or informal business structures)	<p>Affected land and infrastructure shall be restored to the pre-project condition</p> <p>+</p> <p>Cash compensation for temporary occupation of the land in the amount of a lease at market value</p> <p>+</p> <p>Compensation for any lost asset (such as structure, trees, etc.)</p>
Loss of salaries (employees in formal or informal business structures)	<p>In case of temporary interruption of business operations and consequently temporary interruption of work of employees: compensation for loss of salaries to employees, in the amount of the average salary for the last six months (to be paid directly to the employer who shall submit proof of paid salaries in the transition period)</p> <p>In case of termination of business activities as a result of the project: compensation for severance pay to employees in the amount of salaries paid in the last six months (to be paid directly to the employees)</p>
Temporary losses of business income/rent during the construction works (businesses which are not relocating, e.g. hospitality facilities, access to river for rafting and canoeing)	<p>Avoidance of restriction</p> <p>+</p> <p>Temporary alternative solutions (land or service)</p> <p>+</p> <p>Cash compensation for loss of income until the completion of construction works which directly impact the business operations of the business entity, in line with assessment of court experts and based on the baseline survey</p>
Reduced value of business property due to acquisition of part of land on which business assets are located (e.g. parking lot of business, increased noise end of use, landscape changes)	<p>Cash compensation for reduced value for business property, in line with assessment of court experts</p>

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY	ENTITLEMENT
Increased costs due to lesser alternative options (e.g. changed routes for public services, businesses, etc.)	Cash compensation for increased cost of business based on the baseline survey
<b>OTHER</b>	
Impacts on vulnerable groups	<p>On top of all rights defined in this matrix, vulnerable PAP 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.</p> <p>These PAP are to be given priority of employment on the project if possible.</p>
Loss of public infrastructure	Public infrastructure will be replaced before destruction by infrastructure of the same or better specifications.
Undefined impact (permanent or temporary loss)	Any undefined impact shall be mitigated in accordance with the principles and objectives of this RPF. In case of discrepancies between national legislation and WB policy in a particular case, the provision more favorable for the affected owner/user shall prevail.



## 9 COMPENSATION FOR DIFFERENT CATEGORIES OF ASSETS

### 9.1 Compensation for structures and compensation for construction land

The preferred option for structures and construction land which are identified for expropriation should be a replacement structure/land in accordance with the RS Law on Expropriation. In case of replacement assets, the following criteria should be applied to the greatest possible extent:

- Plots with structures should be of approximately same size and involve same possibilities of use,
- Structures should be of similar size and standards, including access to utilities, and
- Structures should be at a reasonable distance and have similar potential from the livelihood aspect (e.g. access to employment and agriculture).

If PAP are offered a replacement structure of smaller size or less favorable characteristics, the owners must be paid the difference in value.

If an affected owner decides to take cash compensation in lieu of replacement property or if it is not possible to find appropriate replacement property in the given area, the structures shall be compensated in cash at full replacement cost. This will be the market value of the materials required to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not to be taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. It also includes costs for levelling or other preparation for new construction or use. The costs shall be calculated at the time when the property is replaced, if this is not the case, the calculation shall take into account inflation.

Compensation will also be provided for any damages caused by construction activities.

### 9.2 Compensation for agricultural land

As regulated by the RS Law on Expropriation, compensation for land shall be determined whenever possible in form of another appropriate property which enables the previous owner approximately equal terms of use. Equal terms of use are satisfied if the following criteria are met:

- being acceptable to the affected owner/farmer,
- being approximately the same size,
- having a similar or better agricultural potential, i.e. fertility, slope, parcel shape, exposition to sunshine, and
- being located at reasonable distance.

In case when the affected owner cannot be offered an equivalent property because no equivalent agricultural land can be found at reasonable distance or the land which is available is not acceptable for the owner, the body in charge of expropriation shall provide a written prove on failed attempts to find similar land, and pay compensation for such land at full replacement cost.

For agricultural land, the replacement cost of the land of equally productive potential or use which is in the vicinity of the affected land during the period before the project or in the pre-displacement phase, whereby the higher value should be taken into account, with the cost of land preparation required to bring it to the level similar to the affected land, including costs of registration in land registry and transfer fees.

The local legislation does not explicitly define the situation when it is possible to offer a plot of smaller size or a plot with lower agricultural potential in lieu, and whether it would be acceptable to pay the difference in cash including compensation in kind in order to settle the difference in size or potential. In situations when it is not possible to identify and offer a plot of the same size and with the same potential, while it is possible to offer smaller plots with less potential, the owner will be offered a possibility to receive a part of compensation in kind (replacement property – plot) and a part in cash. In such case it is necessary to value both plots, affected and replacement plot, in order to calculate the difference.

### 9.3 Compensation for unviable land

Unviable land refers to agricultural land remaining after partial expropriation of land, which is too small in size to make cultivation economically profitable. In case where the landowner assesses the plot remainder as unsuitable for further agricultural use or in case where the land plot would lose its access road, the owner can apply for expropriation of the whole plot. Such situations are to be assessed on an individual basis, based on the following criteria:

- Size, dimensions and shape of the unviable part of the plot;
- Agricultural potential of the remaining part of the plot compared to that of the expropriated part;
- Access restrictions;
- Size and nature of mechanical equipment typically used for cultivation on this plot and whether such equipment reasonably can be used given the size, shape and dimensions of the unviable part of the plot;
- Potential restrictions to irrigation or drainage during the construction period.

Compensation for unviable land, once recognized such, will be based on the same entitlements as the main affected piece of land.

### 9.4 Compensation for crops and trees

- (i) All trees perennial and annual crops (that cannot be harvested prior to land entry) shall be compensated at full market value.
- (ii) All trees perennial and annual crops that cannot be harvested during the Project activity implementation shall be compensated at full market value for the first year and, gross market value for the rest of the time.
- (iii) Any potential damages as a result of construction works on trees and crops shall also be compensated at full replacement cost.

To the extent possible, expropriation and land entry will generally be phased in such a manner that any standing annual crops, regardless of their development stage, can be harvested before the land is taken from the land owner or land user. Annual crops that are harvested before land occupation by the beneficiary agency shall not be compensated. For those annual crops that cannot be harvested prior to land entry or that are damaged by construction works, they shall be compensated at full market value. Recent records of agricultural produce prices at cantonal or municipal level shall be used. Where such records are not available, the most recent official data published by the Agency for Statistics of BiH shall be used by agricultural experts.

The calculation of the full replacement cost requires consideration not only of the product of the crop over one year, but also of the cost of re-establishing the plantation (seedlings, soil preparation, fertilizers, others), as well as of the lost income during the period needed to re-establish the crop. In addition, appraisers will assess whether current productivity reflects the true productivity of the land or if it is a function of lack of inputs to the land. In the event that more than one year's compensation is due to the affected persons, the crops after the first year will be compensated at gross market value.

For trees and forests the calculation should be made in accordance with the principle of full replacement cost, whereby the rate of compensation C for a tree shall be determined by application of the following formula:

$$C = V \times D + C_p + C_L$$

V – Average market value of production of one tree for one year

D – Average period of time required to grow a new tree to an adult production level, in years  
CP – Cost of planting (seedling, soil preparation, initial fertilization)

CL – Costs of the labor required to maintain the crop during the period of time needed to grow a new tree to the previous production level

The unit rate C per tree shall then be applied to the whole plot under the assumption of an average density or on the basis of precise counting of all trees.

Compensation rates will be generated for the following four stages of tree development

- Seedling,
- Young, not productive,
- Young productive, and
- Mature.

Unlike perennial plantation of fruit trees, where crops can be harvested over a prolonged period of time, the majority of commercial types of trees produce yield only once. The replacement cost should therefore be the market value of an average timber. If affected commercial forests cannot be logged before the expropriation beneficiary gains access to the plot, the principle of compensation will be similar to the one applied to annual crops, taking into account the value of lost timber.

Compensation for business-related losses (including restricted access to land issues)

Businesses that need to be relocated will be compensated for:

- monetary compensation at full replacement cost for commercial structures and land (in line with the same principles as defined above for residential assets),
- relocation costs (e.g. costs of the transfer and reinstallation of the plant, machinery or other equipment),
- loss of net income incurred as a result of Project activities until the full restoration of business activities.

Businesses losing only part of their land will be provided with:

- monetary compensation at full replacement cost for land,
- loss of net income incurred as a result of Project activities until the full restoration of business activities,
- any damages caused by construction activities.

Owners of businesses who would prefer to be provided with an alternative (replacement) business location instead of cash compensation will be offered support from the Putevi RS and competent authorities (e.g. competent authority for nature protection) in locating an appropriate replacement property with similar conditions of use in the manner defined above.

Compensations for restricted access to land, assets and services, including ecosystem services for private individuals

Private individuals that have restricted or prohibited access to land, assets, or land services including eco-system services will be compensated for:

- monetary compensation or non-monetary compensations (e.g. free transport to unrestricted access) at surveyed loss due to impeded access to agricultural, residential, commercial or other land as a result of the Project, including restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, eco-system services, markets, other services due to Project activities.

All other land-related compensations will be identified at E&S Screening, assessed by census/baseline-surveys and addressed in site-specific RAPs, subject to WB approval.

## 10 DISCLOSURE OF INFORMATION AND PUBLIC CONSULTATIONS

The Putevi RS, together with the representatives of municipal authorities in charge of expropriation, will be responsible for communicating with affected communities and PAP.

**All PAP will be timely informed about the Project's scope and contacts for further information inquiries, the available grievance mechanism and the availability of the publicly available documents, through:**

- the website of the Putevi RS [www.putevirs.com](http://www.putevirs.com)
- the website of the involved municipality.

**Affected households and businesses will be individually visited and informed by the public departments in charge of expropriation about the impacts of the Project on their property**, particularly the precise impacts on their property. PAP will be consulted during the preparation of the RAP and informed on the results of the census and baseline survey, and their opinions on compensation or other resettlement assistance will be given due consideration. The processes and mechanisms ensuring the active involvement of PAP and other stakeholders will be detailed in the RAPs which will also include an appendix with the date, list of participants, and minutes of consultation meetings.

**Access to information for vulnerable groups will be facilitated by Putevi RS PIU**, as appropriate for each person/household according to their specific needs and/or situation, in cooperation with municipal departments for social affairs.

**Putevi RS will disclose this RPF and any future RAPs to municipalities on whose territory land acquisition may take place** (in both English and local languages), and assist the municipalities in understanding the requirements set out in these documents. The involved municipalities will keep hard copies of both documents in their premises for public review. Putevi RS, will ensure that procedures for submitting grievances are communicated and available to PAP at Project level.

Public consultation on this RPF will be held (may be held at the same time as public consultation for approved drafts of other Project documents). The RPF will be disclosed (on the website of Putevi RS) and will be available for public insight at least 10 days prior to public consultations and sufficient time must be given for submitting comments and questions. The public consultation invitation 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 available (websites, social media, TV and radio stations).

**Report and comments from public consultation, with a list of participants, will be added to this RPF and sent to WB for final review and re-disclosed.**

## 11 GRIEVANCE MECHANISM

### 11.1 Project-specific Grievance Redress Mechanism (GRM)

Under the ESS10, the WB requires Putevi RS to provide a grievance redress mechanism (GRM) to receive and facilitate resolution of concerns and grievances of project-affected parties arising in connection with the project, in particular about the environmental and social performance of implementation agency. GRM will be proportionate to the risks and impacts of the Project and should enable project-affected parties (PAPs) to submit complaints regarding a Bank-financed activities to the

- Project GRM,
- local GRM, or
- the World Bank's corporate Grievance Redress Service (GRS).

The main objective of the GRM is to allow stakeholders to submit complaints, feedback, queries, suggestions, or compliments related to the overall management and implementation of the project. The GRM is intended to address issues and complaints from stakeholders in an efficient, timely, and cost-effective manner. Specifically, it provides a transparent and credible process for fair, effective and lasting outcomes. It also builds trust and cooperation as an integral component of broader community consultation that facilitates corrective actions.

#### (i) Project level GRM

A Project level grievance redress mechanism (GRM) will consist of a Grievance Redress Committee (GRC) administered by the Putevi RS (management and legal representatives), Project GRM Committee (PGRC) and GRM Focal Point (most likely Social Specialist in the PIU).

- CGRC will include representatives of Putevi RS and relevant competent authorities, and relevant NGO or community organization representatives (e.g. representative of the PAPs, NGO representative (female) working for Gender and GBV/SEA/SH issues, etc. depending on the subject of complaint); it will function as the second-degree complaint tier.
- PGRC presents the first tier complaint body and it will gather PIU representatives, Putevi RS technical staff and municipality representatives.
- At the first instance, all grievances will be logged by the GRM Focal Point and resolved by the municipality technical staff and the PIU (Environmental and Social Specialists, other PIU members).
- The Project Implementation Unit (PIU) will assign a staff member under the direct responsibility of the PIU Manager to be responsible for managing the GRM.

If the appeal is filed (as a final level GRM action to CGRC) complainants may still seek a judicial settlement before the competent court; for a natural person, the competent court is Municipal Court (so called Local Court). If the dispute is between two legal entities, the District Commercial Court is competent.

#### (ii) Grievance and feedback admission channels

A Grievance Redress Mechanism (GRM) is a process for receiving, evaluating and addressing project related complaints, feedback, questions and suggestions from citizens and affected communities at the level of the project. The GRM shall serve as Project level information center, feedback provider, 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 GRM will be available over the Project's website by using dedicated email address: [XXXXXX](#) or telephone number +38XXXXXXXX (for larger infrastructure projects, a separate address for each sub-project is recommended and Putevi Republike Srpske will have its own GRM email address for Grievances connected to the selection of research organizations and firms that will participate in the Project) to receive potential complaints or to report on occurred (or noticed) incidents. The GRM will also enable postal delivery (XXXXXX ADDRESS) for those persons who are not comfortable in using electronic ways of communication. The mechanism focuses not only on receiving and recording complaints but also on resolving them. All complaints, queries and suggestions should be registered and will follow the defined procedures to ensure efficient and timely response.

Having an effective GRM in place will also serve the objectives of reducing conflicts and risks such as external interference, corruption, social exclusion or mismanagement; improving the quality of project activities and results; serving as an important

feedback and learning mechanism for project management regarding the strengths and weaknesses of project procedures and implementation processes.

The GRM shall be responsible for receiving and responding to grievances and comments of the following four 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,
- Stakeholders - people with interest in the project, and
- Residents/communities interested in and/or affected by project activities.

The GRM Focal Point will be appointed immediately after appraisal of the Project, in order to manage and appropriately answer complaints during its different phases while the PGRC and CGRC will be effective upon decision on each new sub-project has been taken. In addition to the GRM, legal remedies available under the national legislation are also available (courts, inspections, administrative authorities etc.).

The grievance mechanism for project workers required under ESS2 will be provided separately with details to be provided in the Labor Management Procedure.

Putevi RS holds full responsibility for establishing functioning GRM and informing stakeholders about the GRM role and function, the contact persons and the procedures to submit a complaint in the affected areas. Where possible, affected municipalities and cities will take an active role in GRM. At very least, information on the GRM will be available:

- on the Putevi RS and Project websites,
- on the notice boards and websites of cities and municipalities,
- through social media campaigns,
- through online platforms.

The following channels will be available to stakeholders who would like to submit complaints, feedback, queries, suggestions, or compliments:

Relevant for all:

- Hotline and/or other communication mechanisms of Putevi RS, which will be established for affected cities and municipalities;
- In-person complaints to Contractor's representatives, construction and supervising engineer;
- Email addresses, postal addresses and phone numbers provided by the Putevi RS for citizen inquiries on their respective webpages under the "contact" section, RS and municipality notice boards, construction site billboards for citizens, stakeholders, affected parties, etc.
- Complaint boxes provided in strategic places (e.g. construction site, secluded place in Putevi RS facilities, other relevant and appropriate places that enable anonymous expressions, etc.)
- Special GRM and feedback mechanisms for vulnerable and disadvantaged groups devised under site-specific SEPs, that relate to their needs.

The updated contact information and channels for submitting complaints to the Grievance Redress Mechanism (GRM) will be included in the updated Stakeholder Engagement Framework and site-specific Stakeholder Engagement Plans (SEP) documents, which will be made publicly available within 30 days of the project taking effect. The GRM will accept anonymous complaints and ensure they are properly addressed. Feedback on anonymous complaints will be posted online and in public spaces, such as near complaint boxes or on notice boards in relevant municipalities. Additionally, the GRM will have procedures in place for confidential reporting and the ethical handling of gender-based violence (GBV) issues. Those responsible for receiving project-related feedback will be trained to handle disclosures of GBV. Procedures will be established to promptly inform Putevi RS and the World Bank of any incidents related to sexual harassment and sexual exploitation and abuse with the consent of the survivor.

**(iii) Local level GRM**

Local level GRM under this Project will be integrated to Project GRM. Local aspect will include (i) appointing local GRM Focal Point in the subject municipality to receive and process (through the Project GRM system) grievances; (ii) publishing GRM information on the municipality web site, including contact information, hotlines, addresses for sending grievances and publishing feedback.

**(iv) Processing of grievances**

Any project-related feedback or grievance received should be forwarded within 24 hours to the PIU GRM Focal Point, who will register the complaint/inquiry in a dedicated Logbook (Xcel or other form) and log the information. GRM Focal Point will ensure that each complaint has an individual reference number and is appropriately tracked and recorded actions are completed. The logged information will include:

- ✓ Allocated tracking number of the case,
- ✓ Type of complaint (e.g. suggestion, question, complaint, etc.),
- ✓ Name of the Complainant (or marked anonymous),
- ✓ Contact details of Complainant,
- ✓ Way/means of submitting,
- ✓ Date when the complaint was received,
- ✓ Deadline for feedback,
- ✓ Whether the immediate acknowledgment was sent,
- ✓ Category of complaint (environmental social, land issue, restricted access, etc.),
- ✓ Language of complaint,
- ✓ Preliminary action plan.

In the process, or at the closing of the case (the latest), the following information will be added to the log:

- Name of feedback provider, if not anonymous
- Feedback provider's contact details,
- Nature of the feedback provided/complaint;
- Category of feedback (according to a typology to be developed in the updated SEP),
- Information about the feedback provider/complainant along categories to be developed in the updated SEP (e.g. gender, age, etc.),
- Action taken and response provided to the feedback provider/complainant,
- Date response was provided,
- Feedback provider/complainant satisfaction with response provided,
- Current status of the case,
- Any other relevant information.

**(v) Acknowledgment and follow-up, investigation and action**

Upon receiving project-related feedback or grievances, the PIU GRM Focal Point will acknowledge receipt of the feedback/grievance within 3 days to the person who submitted it. They will outline the next steps and provide an expectation of when the feedback provider/complainant can expect to hear back from the project implementers. In the case of complaints, the PIU GRM Focal Point will then investigate the submission by reaching out to relevant actors as appropriate.

(vi) Grievance resolution and complainant satisfaction

Following the investigation, the PIU GRM focal point will propose a resolution to the complainant in writing within a maximum timeframe of 10 days from the moment the complaint was acknowledged. If an issue is still pending by the end of 10 days, the complainant will be provided with an update regarding the status of the complaint and the estimated time by which a proposed resolution will be provided. All grievances should be resolved within a maximum of 21 days of receipt. To enhance accountability, these timelines will be disseminated. Feedback for anonymous complaints will be provided on the Project's/RS web pages (dedicated to Project).

In case a complainant is dissatisfied with the proposed resolution, an appeal may be lodged within 15 days following the receipt of the decision with the Project Grievance Redress Committee (PGRC), who shall decide on the lodged appeal. If still dissatisfied, the Complainant can raise another appeal with the Grievance Redress Committee (GRC). An appeal to GRC again must be lodged within 15 days while response must take place within 30 days.

As a final level of appeal, an administrative dispute may be instituted before the Municipal/Local Court of the Republika Srpska for natural persons, and District Commercial Court for a legal entity.

(vii) Feedback and grievance monitoring and analysis

Semi-annual summaries on complaints, feedback, queries, suggestions and compliments, together with the status of implementation of associated corrective/preventative actions, will be collated by the designated PIU GRM focal point, and referred to the PIU manager. The summaries will allow to assess the volume and nature of feedback received and enhance the project's ability to address it in a timely and effective manner. These reports will also be included in the reporting to the World Bank.

The PIU GRM focal point will also be responsible for designing and administering a short complainant satisfaction survey in order to capture feedback providers' satisfaction with their interaction with the parties implementing the project and the resolution proposed following the submission of their grievance.

(viii) World Bank Grievance Redress Service

Project stakeholders and citizens can also submit complaints regarding project activities through the World Bank Grievance Redress Service (GRS). Communities and individuals who believe that they are adversely affected by a World Bank-supported project may submit complaints to existing project-level grievance-redress mechanism or to the World Bank's (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 (IP), which determines whether harm occurred, or could occur, as a result of the WB noncompliance with its policies and procedures.

Complaints may be submitted at any time after concerns have been brought directly to the WB's attention, and Bank Management (BM) has been given an opportunity to respond. Information on how to submit complaints to the World Bank's GRS is available here: <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>.

Complaints can also be submitted to the IP of the World Bank. The IP is an independent complaints mechanism for people and communities who believe that they have been, or are likely to be, adversely affected by a World Bank-funded project. Information on how to submit complaints to the World Bank's IP is available here: [www.inspectionpanel.org](http://www.inspectionpanel.org).

**11.1.1 Contact details for enquiries and grievances:**



**Attention:** Branka Pekez, PIU – Project coordinator, Putevi Republike Srpske

**Address:** Trg Republike Srpske 8, 78000 Banja Luka

**Phone:** +387 66 746-741

<https://www.putevirs.com>

## 11.2 World Bank Grievance Redress System

Communities and individuals who believe that they are adversely affected by a 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, please visit <http://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).

## 12 IMPLEMENTATION OF RAPs

### 12.1 Implementation Responsibilities

Ensuring that the entire process of RAP preparation and implementation in RS is carried out adequately in line with the requirements of this RPF will be the responsibility of Putevi RS PIU (specifically, the social specialist within the Putevi RS PIU). The social specialist will liaison with municipalities and other involved agencies, and will be responsible for communication with and disclosure of information to all involved parties.

RAPs will be in place prior to the initiation of any land acquisition activities.

The specific tasks regarding the preparation and implementations of RAPs lays with Putevi RS:

*Table 5: Organizational Responsibilities and Arrangements*

Task	Responsible party
<b>Preparation of RAPs</b>	
Ensuring the preparation of RAPs including the census and socioeconomic Surveys	Putevi RS
Approval of RAP	WB
<b>Information disclosure and consultations</b>	
Disclosure of information and documents to all Project Affected People and communities, and organization of public meetings	Putevi RS in cooperation with the involved municipalities
Keeping records of consultation activities	Putevi RS
<b>Land acquisition process</b>	
Direct communication with and visits to owners and occupants	Putevi RS
Negotiations and expropriation activities, prior to construction Commencement	Putevi RS
Provision of assistance to vulnerable persons / households	Putevi RS
Payment / provision of compensation packages	Putevi RS
<b>Monitoring and reporting</b>	
Monitoring and reporting to WB with respect to land acquisition	Putevi RS
Monitoring and reporting in respect of temporary land occupation carried out after construction commencement	Contractor
Preparation of a Completion Audit at the end of the land acquisition process	Independent third party contracted by Putevi RS
<b>Receiving and managing grievances</b>	
Grievance processing and management	Putevi RS
Receiving grievances and acknowledging receipt of grievances	Putevi RS
Keeping an integrated registry of grievances	Putevi RS

## 12.2 Costs

The costs of the land acquisition/resettlement process will be the responsibility of Putevi RS. Social assistance costs will be the responsibility of the mentioned Putevi RS. Detailed cost estimates will be provided in the RAPs.

## 12.3 Monitoring and Reporting

Monitoring of the land acquisition and resettlement process will be conducted by Putevi RS to:

- ascertain whether activities are in progress as per schedule and the timelines are being met;
- ensure that the standards of living of PAP are restored or improved;
- assess whether the compensation / rehabilitation measures are sufficient;
- identify any potential issues; and
- identify methods to mitigate any identified issues.

Putevi RS will maintain a land acquisition database on the families/businesses whose properties have been affected (including the non-owners). The data/information will be updated periodically in order to keep track of the families' and businesses' progress.

The indicators to be used for monitoring will include, in particular, the following:

- Overall spending on land acquisition and compensation,
- Number of PAP by categories,
- Number of structures (residential, commercial and auxiliary) identified for expropriation,
- Number of private land plots identified by the contractor as necessary to be temporarily occupied during construction works (type of land plot, amount of compensation paid, duration of land occupation),
- Number of public meetings and consultations with affected persons,
- Number and percentage of negotiated settlements signed,
- Number of persons requesting special assistance and types of assistance provided to vulnerable individuals/households in a timely manner,
- Number of people having received compensation in the period disaggregated by type of compensation and by classes of amounts,
- Number and type of grievances in relation to land acquisition (number of grievances, number and percentage of grievances resolved within set deadlines, number and percentage of persons satisfied with the outcome, e.g. response to their grievance/comment, disaggregated by gender) and number of court cases related to land acquisition,
- Number of successful relocations of households (new location, level of income),
- Number of successful relocations of businesses (new location, level of income, number of employees),
- Number of successfully re-established agricultural activities after land acquisition or restriction of access as a result of the Project (level of income).

Putevi RS will prepare and submit to WB Project Progress Reports (as defined in the Legal Agreement) including the progress achieved in the implementation of RAPs.

In addition, Putevi RS will facilitate the development of a Completion Audit at the end of the land acquisition process by an independent expert.

## 13 ANNEXES

A	Minimum Elements of a Resettlement Plan
B	Sample Grievance Form
C	Project Components
D	Template for resettlement screening

## A. Minimum Elements of a Resettlement Plan

The tables below have been prepared based on the requirements set out in the WB Framework, specifically *ESS5— Annex 1. Involuntary resettlement instruments*.

### General requirements for a resettlement plan

ELEMENT	EXPLANATION
Description of the project	General description of the project and identification of the project area
Potential impacts	<p>Identification of:</p> <ul style="list-style-type: none"> <li>a) project components or activities that give rise to displacement, explaining why the selected land must be acquired for use within the timeframe of the project;</li> <li>b) zone of impact of such components or activities;</li> <li>c) scope and scale of land acquisition and impacts on structures and other fixed assets;</li> <li>d) any project-imposed restrictions on use of, or access to, land or natural resources;</li> <li>e) alternatives considered to avoid or minimize displacement and why those were rejected; and</li> <li>f) mechanisms established to minimize displacement, to the extent possible, during project implementation.</li> </ul>
Objectives	The main objectives of the resettlement program.
Census survey and baseline socioeconomic studies	<p>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.</p> <p>The census survey also serves other essential functions:</p> <ul style="list-style-type: none"> <li>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;</li> <li>b) information on vulnerable groups or persons for whom special provisions may have to be made;</li> <li>c) identifying public or community infrastructure, property or services that may be affected;</li> <li>d) providing a basis for the design of, and budgeting for, the resettlement program;</li> <li>e) in conjunction with establishment of a cutoff date, providing a basis for excluding ineligible people from compensation and resettlement assistance;</li> <li>f) establishing baseline conditions for monitoring and evaluation purposes.</li> </ul> <p>If deemed relevant, additional studies on the following subjects may be required:</p> <ul style="list-style-type: none"> <li>g) land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, non-title-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;</li> <li>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;</li> <li>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.</li> </ul>
Legal framework	<p>The findings of an analysis of the legal framework, covering:</p> <ul style="list-style-type: none"> <li>a) 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;</li> <li>b) applicable legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process and the normal timeframe for such procedures, and any available grievance redress mechanisms that may be relevant to the project;</li> <li>c) laws and regulations relating to the agencies responsible for implementing resettlement activities;</li> <li>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.</li> </ul>
Institutional framework	<p>The findings of an analysis of the institutional framework covering:</p> <ul style="list-style-type: none"> <li>a) identification of agencies responsible for resettlement activities and NGOs/CSOs that may have a role in project implementation, including providing support for displaced persons;</li> <li>b) assessment of the institutional capacity of such agencies and NGOs/CSOs;</li> </ul>

ELEMENT	EXPLANATION
	c) any steps that are proposed to enhance the institutional capacity of agencies and NGOs/CSOs responsible for resettlement implementation.
Eligibility	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	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.
Community participation	Involvement of displaced persons (including host communities, where relevant): <ul style="list-style-type: none"> <li>a) description of the strategy for consultation with, and participation of, displaced persons in the design and implementation of the resettlement activities;</li> <li>b) summary of the views expressed and how these views were taken into account in preparing the resettlement plan;</li> <li>c) review of the resettlement alternatives presented and the choices made by displaced persons regarding options available to them;</li> <li>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 people, ethnic minorities, the landless, and women are adequately represented.</li> </ul>
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.
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.
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.
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.
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.

#### Additional planning requirements where resettlement involves physical displacement

When project circumstances require the physical relocation of residents (or businesses), resettlement plans require additional information and planning elements, as follows:

ELEMENT	EXPLANATION
Transitional assistance	The plan outlines the support that will be offered to help with the relocation of household members and their belongings, or business equipment and inventory. It also details any extra assistance for households that opt for cash compensation and arrange their own alternative housing, including the construction of new housing. If the planned relocation sites for residences or businesses are not yet prepared for occupancy at the time of displacement, the plan establishes a transitional allowance sufficient to cover temporary rental expenses and other costs until suitable accommodations are available.
Site selection, site preparation, and relocation	When preparing relocation sites, the resettlement plan describes the alternative relocation sites considered and elaborates on selection rationale, including: <ul style="list-style-type: none"> <li>a) institutional and technical arrangements for identifying and preparing relocation sites, whether rural or urban, for which a combination of productive potential, locational advantages, and other</li> </ul>

ELEMENT	EXPLANATION
	<p>factors is better or at least comparable to the advantages of the old sites, with an estimate of the time needed to acquire and transfer land and ancillary resources;</p> <p>b) Identification and assessment of opportunities to improve local living standards through additional investments in infrastructure, facilities, or services, or through the establishment of project benefit-sharing arrangements.</p> <p>c) Any measures required to prevent land speculation or the influx of ineligible persons at the selected sites.</p> <p>d) Procedures for physical relocation under the project, including timelines for site preparation and transfer.</p> <p>e) Legal arrangements for regularizing tenure and transferring titles to those resettled, including provision of security of tenure for those who previously lacked full legal rights to land or structures.</p>
Housing, infrastructure, and social services	Plans to provide (or to finance local community provision of) housing, infrastructure (e.g., water supply, feeder roads), and social services (e.g., schools, health services); plans to maintain or provide a comparable level of services to host populations; any necessary site development, engineering, and architectural designs for these facilities.
Environmental protection and management	A description of the boundaries of the planned relocation sites; and an assessment of the environmental impacts of the proposed resettlement and measures to mitigate and manage these impacts (coordinated as appropriate with the environmental assessment of the main investment requiring the resettlement).
Consultation on relocation arrangements	The plan describes methods of consultation with physically displaced persons on their preferences regarding relocation alternatives available to them, including, as relevant, choices related to forms of compensation and transitional assistance, to relocating as individual households families or with preexisting communities or kinship groups, to sustaining existing patterns of group organization, and for relocation of, or retaining access to, cultural property (e.g., places of worship, pilgrimage centers, cemeteries).
Integration with host populations	Measures to mitigate the impact of planned relocation sites on any host communities, including: <p>(a) consultations with host communities and local governments;</p> <p>(b) arrangements for prompt tendering of any payment due the hosts for land or other assets provided in support of planned relocation sites;</p> <p>(c) arrangements for identifying and addressing any conflict that may arise between those resettled and host communities; and</p> <p>(d) any measures necessary to augment services (e.g., education, water, health, and production services) in host communities to meet increased demands upon them, or to make them at least comparable to services available within planned relocation sites.</p>

#### Additional planning requirements where resettlement involves economic displacement

If land acquisition or restrictions on use of, or access to, land or natural resources may 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 resettlement plan, or into a separate livelihood improvement plan. These include:

ELEMENT	EXPLANATION
Direct land replacement	For those with agricultural livelihoods, the resettlement plan provides for an option to receive replacement land of equivalent productive value, or demonstrates that sufficient land of equivalent value is unavailable. Where replacement land is available, the plan describes methods and timing for its allocation to displaced persons.
Loss of access to land or resources	For those whose livelihood is affected by loss of land or resource use or access, including common property resources, the resettlement plan describes means to obtain substitutes or alternative resources, or otherwise provides support for alternative livelihoods, alternative access to services, and alternative ways to meet the need.
Support for alternative livelihoods	For all other categories of economically displaced persons, the resettlement plan 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.

ELEMENT	EXPLANATION
Consideration of economic development opportunities	The resettlement plan aims to find and evaluate any possible ways to enhance people's lives as a result of the resettlement processes. This could include special job opportunities within the project, assistance in developing unique products or markets, preferential commercial zoning and trading setups, or other options. If applicable, the plan should also investigate the possibility of providing financial benefits to communities or displaced individuals through the creation of project-based benefit-sharing agreements.
Consideration of increased costs	The resettlement plan identifies increased costs of living (meaning directly impacted livelihood) caused directly by the Project – e.g. due to unavailability or reduced availability of services and goods. This may include availability of mobile markets in rural areas, public transport, reduced access to health services, etc.
Transitional support	The resettlement plan provides transitional support to those whose livelihoods will be disrupted. This may include payment for lost crops and lost natural resources, payment of lost profits for businesses, or payment of lost wages for employees affected by business relocation. The plan provides that the transitional support continues for the duration of the transition period.



### B. Sample Grievance Form

Reference number:		
Full name <i>(optional)</i>		
Contact information <i>(optional)</i>  Please mark how you wish to be contacted (mail, telephone, e-mail).	<input type="checkbox"/> By post: Please provide mailing address:	_____ _____ _____
	<input type="checkbox"/> By telephone: _____ <input type="checkbox"/> By e-mail: _____	
Preferred language of communication	<input type="checkbox"/> Bosnian / Serbian / Croatian <input type="checkbox"/> English (if possible)	
Description of incident for grievance		What happened? Where did it happen? Who did it happen to? What is the result of the problem?
Date of incident / grievance		
	<input type="checkbox"/> One-time incident/grievance (date _____) <input type="checkbox"/> Happened more than once (how many times? _____) <input type="checkbox"/> On-going (currently experiencing problem)	
What would you like to see happen?		

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

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

**Please return this form to:**

**Attention:** Branka Pekez, Project coordinator,  
 Javno preduzece Putevi Republike Srpske  
**Address:** Trg Republike Srpske8 , 78000 Banja Luka  
**Phone:** +387 66/746-741

## C. Project Components

### **Component 1: Improved Regional Connectivity**

The overall objective of this component is to improve regional connectivity and the quality and sustainability of the magistral road network in BiH. A high quality, safe network is essential to provide reliable access to jobs, markets, and services in BiH and connectivity to neighboring countries. To this end, the component will finance upgrade and improvement of Route 2b of the TEN-T network connecting Sarajevo (BiH) and Podgorica (Montenegro), and for the reconstruction, rehabilitation and maintenance of priority magistral roads. The upgrade of Route 2b will further regional integration with Montenegro, improve access to markets, foster the growing tourism industry in the area, and support BiH in its EU accession process. Financing of priority magistral roads will further domestic connectivity and the resilience and safety of the network. Priority investments will be determined by the merits of safety, resilience and economic return.

#### **Subcomponent 1.1: Upgrade of Route 2b between Brod na Drini (Foca) and Hum (Scepan Polje)**

This subcomponent will improve the connectivity between Sarajevo and Podgorica through the upgrade of 13.245 km between Brod na Drini (Foca) and Hum (Scepan Polje) on route 2b. The entire investment will be in RS and jointly financed through an EBRD loan and WBIF grant. The current road is in very poor condition as described in Annex 2. The road is only 3.5m wide, and it is characterized by many active landslides and ongoing deformations of the road surface, wooden bridges, and curvy alignment. The interstate bridge (Montenegro Border) over the river Tara was damaged during the war, and later repaired with the intention of providing a temporary solution for crossing over the Tara Canyon. The road has been closed for trucks and commercial vehicles since 2019. The bridge will be financed through BiH own resources before the start of works on the project road. The original feasibility study for the road was completed in 2015 and detailed designs were done in 2017, there is a need to perform additional geotechnical investigations and update and adjust detailed design, if and where needed. The road is vulnerable to flooding and landslides and will require additional design work to enhance climate resilience. The results from a GFDRR activity on Nature Based Solutions and Network Vulnerability Assessments will inform this process. A road safety audit will be undertaken to inform the final detailed design. Supervision will be also financed under the subcomponent.

The works will be tendered through a design and build approach, following the alignment recommended in the feasibility study for which detailed design was developed in 2017. The alignment follows the right bank of Drina River until the confluence of the rivers Tara and Piva, where the border crossing is located. The alignment runs close to the existing road, is 13,245.5 km in length, includes 14 structures (1,383 m) and work on local connecting roads (2.8 km). The design and build approach will transfer part of the risk to the contractor, which might result in slightly higher costs but would allow for more flexibility and faster implementation once the designs are approved. An expert will be mobilized to support the client in preparing the design and build tender documents as per the Bank guidelines. This subcomponent will finance the design build contract including all necessary bridges, interchanges, road safety audits and site supervision.

#### **Subcomponent 1.2: Investments in a program of rehabilitation of priority national roads**

This sub-component will finance selected sections of the program for the reconstruction, rehabilitation and maintenance of priority magistral roads. The needs assessments for addressing backlog rehabilitation and maintenance needs stands at about EUR 740 million, representing an unconstrained scenario. Based on the outputs from the asset management systems in both entities a priority list of rolling investments will be identified from that backlog for Bank finance. In total this sub-component will improve about 150 km of road and associated blackspot improvements and interventions to enhance climate resilience. The works will be undertaken along the existing alignment and will include resurfacing, partial pavement widening, works concerning traffic signalization improvements, structure renewal, road safety improvements, road protection works, and rehabilitation of bridges and tunnels as well ancillary connections i.e, crossroads, access roads, drainage systems, etc. The proposed rehabilitation will improve ride quality leading to lower operating costs for road users and lower life-cycle cost for the road asset.

Some specific blackspot improvements have been identified to be supported by SSTP grant finance including two bridges in RS which are in a poor condition and present potential danger to safety. These are Bridge on the Drinjača River and Bridge Tatinac that were identified as highly unstable and deteriorated and will be repaired to enhance the safety and resilience of the road network. Bridge construction/rehabilitation will undertake structural retrofits/reconstruction to withstand climate hazards. Bridge number 350 on the River Drinjača, is located on the main road M-19.2, on the section Tišća - Vlasenica in the Municipality of Vlasenica. In BiH, the main road M-19.2 connects Kladanj and Vlasenica. The road is 30 km long and connects to the M18 highway in Kladanj, while in Vlasenica, it connects to the M19 highway and is very important from the transport and socio-economic importance for the network. The bridge Tatinac is located on the section of the Regional Road RII-5501 (old code R-443), section Grajseljci - Klanci, Municipality of Kalinovik.

The component will also support Technical Assistance activities relevant for the road upgrades with road safety and resilience consideration in mind. Support in the enhancement of institutional structure around road safety at state and entity levels will be also provided: (i) Update to the National Guidelines for design, construction, supervision, and maintenance and related rulebooks will be supported to reflect changes in the relevant standards and laws since 2004 and to allow adoption of modern practices in the transport construction sector; (ii) Support to establishment of a road crash database system as per CADaS protocols on the level of BiH and in close cooperation with the Ministry of Interior and Health will be provided; and (iii) road safety audits, technical control, designs, and site supervision of the sections to be financed under the subcomponent. In addition, all activities financed through this component will be complemented by a GFDRR grant to support integration of Nature Based Solutions into road designs and for the development of a methodology to assess road network vulnerability. The methodology for vulnerability assessment will be used to screen the country's road network for climate resilience considerations.

## **Component 2: Enhanced Road Sector Governance**

This component will support the BiH EU accession and reform process in the transport sector through interventions that enhance road companies' ability to manage and operate their road infrastructure efficiently and cost effectively. The design of this component reflects screening and recommendations from the EU acquis report for BiH and further institutionalization of the reforms supported through previous bank engagements. The selected activities will strengthen road management in BiH with a particular focus on improving the financial sustainability of the road companies, streamlining climate resilience, and enhancing road safety. The activities under this component will not add GHG but will increase adaptation and resilience in the future.

### **Subcomponent 2.1: Improved safety and resilience of the BiH road network**

This subcomponent will support implementation of elements of the road safety ecosystem including screening and prioritization of blackspot locations and design and implementation of interventions. All activities are aligned with BiH accession agenda as identified in the EU acquis report for BiH. The subcomponent will be implemented through technical assistance, goods and services, training and operating costs and will support the following activities:

- Road Safety Inspection and Blackspot improvement program: RSI will be performed on priority 1200 km road network across BiH. Recommendations from the RSI will be included in the road safety action plans of the road companies and support in the development of a program for Blackspot improvement, particularly in the RS where there has been no prior screening. Measures will be proposed to rehabilitate the road sections near these high-risk locations.
- Stability monitoring: A Slope Management system including landslides and facilities monitoring will be developed. This will include monitoring equipment, patrols, support with planned road closures, signing, periodic maintenance, and minor rebuilding to reduce vulnerability.

### **Subcomponent 2.2: Enhanced operational management**

The subcomponent will finance technical assistance, and procurement of goods and services to enhance the operational management of the roads sector in BiH. It will finance activities that support the institutionalization of modern road asset

management system, a system of Weigh-in-Motion to protect existing assets from overloaded trucks, and the implementation of Intelligent Transport Systems (ITS) for tunnel management. The activities will support the development of multi-year maintenance plans based on priorities developed through RAMS designed to reduce the whole life costs of the road network and the overall financial sustainability of the sector. The activities include:

Enhancing the company level Road Asset Management Systems. The project will finance enhancements to the existing RAMs to integrate a module for the systematic economic prioritization of interventions. It will finance equipment for road condition monitoring, weather stations and screening of the network for optimal decision making and identification of network vulnerability. Further institutionalization of RAMs will be supported to help optimize multiannual planning and the preparation of investment and maintenance plans.

Implementation of a BiH wide Weigh-in-Motion system: Introduction of a weight control system will support the country in addressing overloaded trucks causing premature failure of roads. The project will finance the equipment necessary for a mixture of mobile weight control systems and fixed weigh-in-motion (WIM) systems. TA will support drafting the necessary legislation to facilitate the operations and enforcement of such a system.

Implementation of ITS in selected tunnels: The subcomponent will support higher utilization of ITS by centralized monitoring and control of ITS systems in tunnels.

### **Subcomponent 2.3: Project Management and Capacity building**

This subcomponent will finance eligible expenses for both companies to enable successful implementation of the Project. The project will be implemented by the road company employees but they can benefit from capacity building and selected additional expert support as may be necessary in procurement, financial management, environmental and social safeguards and annual program planning. The subcomponent will support relevant training and knowledge exchange activities and operating costs like office equipment, travel, printing and translation costs. In addition, the subcomponent will support 30 paid internships, out of which sixty percent will be women. Paid internships will be granted to students from the final year of relevant faculties or recently graduated students, enabling the companies to identify candidates that could be good addition to their institutions, with the aim to guarantee permanent employment for at least 5 women. The subcomponent will provide support in establishment of the online platform for dissemination of information about the project and user feedback interface. This will be implemented either through separate project webpage or within existing web page of the companies.

## D. Template for screening need for land acquisition, restrictions on land use, and involuntary resettlement

## TEMPLATE FOR LAND ACQUISITION, RESTRICTIONS ON LAND USE, AND INVOLUNTARY RESETTLEMENT SCREENING

<i>Entity:</i>			
<i>Municipality:</i>			
<i>Cadastral municipality:</i>		<i>Cadastral parcel:</i>	
<i>Name of the project</i>			
<i>Name of the sub-project</i>			

<i>Does implementation of sub-project require involuntary resettlement (land acquisition, restriction on land use) <sup>4</sup> and/or voluntary land donation??</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<i>Non-exhaustive list of criteria for screening:</i>		
- <i>Has the land required for the sub-project or will the sub-project require the acquisition or expropriation and/or conversion of land (changes in access or use)?</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
- <i>Has the land required for the sub-project or will the sub-project require the physical displacement of informal occupants or land uses and/or landowners or otherwise restrict or deprive them of land use/access?</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
- <i>Has the land required for the sub-project or will the sub-project cause impacts on or changes to land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
- <i>Has the land required for the sub-project or will the sub-project require economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
- <i>Has the land required for the sub-project or will sub-project require any disputed ownership, claims, by renters, users, squatters, or encroachers?</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
- <i>Has the land required for the sub-project or will the sub-project include land donation?</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<i>If the land is being voluntarily sold or donated:</i>		
- <i>Did/will the land donation or sale take place without threat of expropriation?</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
- <i>Did the landowner/user provide their informed consent to donate/sell the land?</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
- <i>Did the landowner/user have the right to refuse the sale/donation or change in land use and access?</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>

<sup>4</sup> Land acquisition” 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. “Restrictions on land use” refers to limitations or prohibitions on the use of agricultural, residential, commercial, or other land that is 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, restrictions on land use within utility easements, or safety zones. “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, petty trade, and bartering.

<i>If answer is yes to any of screening criteria, please describe land that will be taken/converted/sold/donated (provide description of current use of the land, status/information on ownership relevant for the sub-project and impact of sub-project)</i>			
<i>Area affected</i>	<i>Total landholding area</i>	<i>Ratio of land affected to total land held</i>	<i>Map</i>
<i>Describe any other assets that will be lost or must be removed to implement the sub-project</i>			
<i>Value of land</i>			

Enclose all relevant official documentation (e.g. contracts, court decisions, extracts from land cadaster, etc.).

Enclose, minutes of meeting/consultations with potentially affected stakeholders.