

Koridori Srbije
**Morava Corridor Motorway
Project**
Resettlement Action Plan

4-01

Issue | 25 May 2021

This report takes into account the particular instructions and requirements of our client.

It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

Job number 278535-00

Arup d.o.o
Knežinje Zorke 77
11 000 Beograd
Srbija
www.arup.com



ARUP

Document verification

ARUP

Job title		Morava Corridor Motorway Project		Job number	
				278535-00	
Document title		Resettlement Action Plan		File reference	
Document ref		4-01			
Revision	Date	Filename	2021-02-09 Resettlement Action Plan.docx		
Draft 1	09 Feb 2021	Description	First draft		
			Prepared by	Checked by	Approved by
		Name	AP, KP	MP	MP
		Signature			
Draft 2	23 Feb 2021	Filename	2021-02-23 Resettlement Action Plan Sector 3		
		Description	Second Draft		
			Prepared by	Checked by	Approved by
		Name	AP, KP	MP	MP
		Signature			
Draft 3	1 Mar 2021	Filename	2021-03-01 Resettlement Action Plan Sector 3 Draft 3.docx		
		Description	Third Draft		
			Prepared by	Checked by	Approved by
		Name			
		Signature			
Draft 4	7 Mar 2021	Filename	2021-03-07 Resettlement Action Plan Sector 3 Draft 4.docx		
		Description	Fourth Draft		
			Prepared by	Checked by	Approved by
		Name	AP, KP	MP	MP
		Signature			

Issue Document verification with document



Document Verification

Job title		Morava Corridor Motorway Project		Job number	
				278535-00	
Document title		Resettlement Action Plan		File reference	
Document ref		4-01			
Revision	Date	Filename	2021-03-15 Resettlement Action Plan Sector 3 Draft 5.docx		
Draft 5	15 Mar 2021	Description			
			Prepared by	Checked by	Approved by
		Name			
		Signature			
Draft 6	18 Mar 2021	Filename	2021-03-18 Resettlement Action Plan Sector 3 Draft 6.docx		
		Description			
			Prepared by	Checked by	Approved by
		Name			
		Signature			
Draft 7	25 Mar 2021	Filename	2021-03-25 Resettlement Action Plan Sector 3 Draft 7.docx		
		Description			
			Prepared by	Checked by	Approved by
		Name			
		Signature			
Issue	29 Mar 2021	Filename	2021-03-29 Resettlement Action Plan Sector 3 Issue.docx		
		Description			
			Prepared by	Checked by	Approved by
		Name			
		Signature			

Issue Document Verification with Document



Contents

	Page	
1	Scope of the Resettlement Action Plan	7
1.1	Introduction	7
1.2	About this Document	7
1.3	Methodology	8
2	Project Description and Potential Project Impacts	13
2.1	About the Project	13
2.2	Affected Communities	14
2.3	Project Impacts and Risks	21
3	Legal Framework	24
3.1	National Legislation Requirements	24
3.2	Summary of Applicable Requirements	25
3.3	Summary of Main Gaps between National Legislation and Applicable Requirements	26
4	Principles, Objectives and Processes	27
4.1	Principles and Objectives	27
4.2	Process Overview	28
5	Affected Assets, Affected People and Entitlements	30
5.1	Categorization of Impacts	35
5.2	Census of Affected Assets and Affected Businesses	38
5.3	Affected People	38
5.4	Affected Land	48
5.5	Affected Structures	51
5.6	Entitlements	54
6	Resettlement and Compensation	68
6.1	Methods for Valuation of Affected Assets	68
6.2	Economic Resettlement	68
6.3	Livelihood Restoration Measures	69
6.4	Cash Compensation	70
7	Consultation and Disclosure	72
7.1	Consultations that Preceded RAP Preparation	72
7.2	Disclosure	73
8	Grievance Redress Mechanism	75
9	Vulnerable People	77

9.1	Identification of Vulnerable People	77
9.2	Assistance Activities to Vulnerable People	78
10	Monitoring and Evaluation	79
10.1	Institutional Monitoring	79
10.2	Monitoring of Land Acquisition Process	79
10.3	Monitoring of Temporary Land Access for Construction Works	80
11	Implementation Responsibilities and Funding	82
11.1	Implementation Responsibilities	82
11.2	Arrangements for Funding and Budget	82

Tables

Table 1 Summary of Impacts

Table 2 Target Sample Sizes for Socio-Economic Survey

Table 3 Information on Parcels with Affected Structures as received from the Cadastre register

Table 4 Determination of the Target Sample Size

Table 5 List of Municipalities and Cadastral Municipalities

Table 6 Comparative Overview of the Number of Population

Table 7 Comparative Overview of the Number of Dwellings for Permanent Habitation in 1971 and 2011

Table 8 Dwellings for Permanent Housing According to the Occupancy Status 2011

Table 9 Project Impacts and Risks

Table 10 Land Use of the Affected Parcels

Table 11 Affected Parcels by Type of Impact

Table 12 Summary of Impacts on Physical and Economic Displacement

Table 13 Affected Auxiliary Structures on Sector 3

Table 14 Affected Potentially Residential Structures on Sector 3 According to the Survey Results

Table 15 Utility Connections in the Affected Residential Structures

Table 16 Affected Business Structures

Table 17 Livelihood Restoration Measures

Table 18 Prices for Land in the Affected Municipalities

Table 19 Planned Stakeholder Engagement for Grievance Mechanism

Table 20 Assistance to Vulnerable Groups

Table 21 Structures' and Land Market Prices

Figures

Figure 1 Project Alignment

Figure 2 Respondents' Relationship with the Property Owner in Sector 3, Cacak

- Figure 3 Respondents' Relationship with the Property Owner in Sector 3, Kraljevo
Figure 4 Gender Distribution of the Property Owners in Sector 3, Cacak
Figure 5 Gender Distribution of the Property Owners in Sector 3, Kraljevo
Figure 6 Age Distribution of the Property Owners in Cacak
Figure 7 Age Distribution of the Property Owners in Kraljevo
Figure 8 Surveyed Households' Size in Cacak
Figure 9 Surveyed Households' Size in Kraljevo
Figure 10 Occupation of the Head of the Household in Cacak
Figure 11 Occupation of the Head of the Household in Kraljevo
Figure 12 Source of Income in the Households in Cacak
Figure 13 Source of Income in the Households in Kraljevo
Figure 14 Assessment of Economic Status of the Household in Cacak
Figure 15 Assessment of Economic Status of the Household in Kraljevo
Figure 16 Total Monthly Income of the Households in Cacak
Figure 17 Total Monthly Income of the Households in Kraljevo
Figure 18 Area of Parcels Affected by Expropriation in Cacak
Figure 19 Area of Parcels Affected by Expropriation in Kraljevo
Figure 20 Type of Affected Crops in Cacak
Figure 21 Type of Affected Crops in Kraljevo
Figure 22 PAPs Who Will Continue to Engage in Agriculture in Kraljevo
Figure 23 PAPs Who Will Continue to Engage in Agriculture in Cacak
Figure 24 Sector 3 Road Alignment with Municipalities' Borders
Figure 25 Road Alignment

Appendices

Appendix A

Sample Grievance Form

Appendix B

Housing Structures and Land Market Prices

Appendix C

Maps

Abbreviation List

Abbreviation	Meaning
CC	Constitutional Court
CoS	Corridors of Serbia
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Assessment
GoS	Government of Serbia
IFC	International Financing Institution
IFIs	International Financing Institutions
PAPs	Project affected persons
PS	Performance Standard
RAP	Resettlement Action Plan
RLRF	Resettlement and Livelihood Restoration Framework
RS	Republic of Serbia
SEP	Stakeholder Engagement Plan

Glossary

COMPENSATION. Payment in cash or in kind for an asset or a resource that is acquired or affected by a project. Compensation will be paid before taking possession of the land and assets in all cases, including where this is not possible due to absence or impossibility of identifying the owners. In the case of absence of owners, the money is available for an unlimited period of time.

CUT-OFF DATE. The cut-off date, i.e. the moratorium date after which the persons encroaching into the Project area or any investments in fixed assets are not eligible for compensation or any other form of assistance, is defined by Resettlement and Livelihood Restoration Framework as 10 days from the day of public consultations meeting of the Resettlement and Livelihood Restoration Framework in each affected municipality, which took place in February 2020.

ECONOMIC DISPLACEMENT. Loss of income streams or means of livelihood, resulting from land acquisition or obstructed access to resources and property (land, water or forest) resulting from the construction or operation of a project or its associated facilities.

EXPROPRIATION. Means deprivation or limitation of ownership rights of property with a compensation pursuant to market value of that property.

INVOLUNTARY RESETTLEMENT. Resettlement is involuntary when land is acquired through the application of state powers. Actions are based on announced public interest and may be taken without the displaced person's informed consent or power of choice.

LIVELIHOOD RESTORATION. Measures that will be undertaken to assist physically and economically displaced PAPs to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher. Assistance must continue after displacement, for a transition period, based on a reasonable estimate of the time likely to be needed to restore their livelihood and standards of living.

MAJOR RESETTLEMENT IMPACTS. To categorise resettlement as major resettlement impact, either of the following conditions have to be met: PAPs lose residential or business structure which leads to physical and/or economic displacement (a) or PAPs lose non-residential and non-business structure that was used for rest and recreation or temporary residence during crops harvesting season (b).

MODERATE RESETTLEMENT IMPACTS. To categorise resettlement as medium resettlement impact all of the following conditions have to be met: all of

the PAPs lose more than 30 percent of their land, regardless of the number of PAPs (a) and they have no need for physical relocation (b).

MINOR RESETTLEMENT IMPACTS. To categorise resettlement as minor resettlement impacts all of the following conditions have to be met: all of the PAPs lose less than 30 percent of their land, regardless of the number of PAPs (a) and they have no need for physical relocation (b).

MOVING ALLOWANCE. The moving allowance is a cash compensation for costs directly associated to moving/relocation of the household, with expropriated of residential structure or business premises.

PAP. Project Affected Person is any person who, as a result of the implementation of a project, loses the right to own, use, or otherwise benefit from a built structure, land (construction, agricultural, or pasture), annual or perennial crops and trees, or any other fixed or moveable asset, either in full or in part, permanently or temporarily.

PHYSICAL DISPLACEMENT. Loss of shelter or property caused by expropriation of land in connection to the project, which requires the physical shifting of a PAP from his/her pre-project place or residence, place for work or business premises.

PROJECT AFFECTED AREA. In the context of this RAP, project affected area is considered to be the territory of the City of Cacak and the City of Kraljevo.

REPLACEMENT COST. For agricultural land, replacement cost is the pre-project market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. For land in urban areas, it is the pre-project market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes. For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labour and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not considered, 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. Costs are calculated based on the time at which the asset is being replaced, if not, inflation is considered in calculating costs.

RESETTLEMENT ACTION PLAN (RAP). The document specifying the procedures to be followed and the actions to be taken to mitigate adverse effects, compensate losses, and provide development benefits to persons and communities affected by an investment project. The RAP should be consistent with the principles and objectives of the PS 5 and the RLRF.

STAKEHOLDERS. Any and all individuals, groups, organizations, and institutions interested in and potentially affected by a project or having the ability to influence a project.

TRANSITIONAL ALLOWANCE. Describes one-off cash compensation as an additional financial assistance to facilitate PAPS' adjustment in the area to which they are relocated. One-off cash compensation in the fixed amount of three months' worth of minimum salaries at national level calculated in the month when the payment is made, will be provided per household.

Context of this Document

This Resettlement Action Plan was developed to identify any and all discrepancies between national legislation of the Republic of Serbia, and above all the Law on Expropriation of the Republic of Serbia and IFC Performance Standards (PS) on Environmental and Social Sustainability 2012, in particular with PS5 “Land Acquisition and Involuntary Resettlement”, World Bank requirements of Environmental and Social Framework (ESF), Environmental and Social Safeguard 5, as well as IFC Good Practice Handbook: Land Acquisition and Resettlement, 2019.

The main objective of this document is to set out actions on how to bridge any identified discrepancies and close the gaps by allowing provision of adequate compensations and assistance to eligible project affected persons (PAPs). **None of the actions specified by this RAP affect the prior acceptance or rejection of expropriation agreements, nor the compensation already received.**

Executive Summary

This Resettlement Action Plan (RAP) is prepared for Sector 3 of Morava Corridor Highway Project (Adrani - Preljina), with the main objective of identifying all impacts associated with land acquisition for the purposes of this Project.

According to the data received by the Real Estate Cadastre, there are 3,105 parcels affected by expropriation on Sector 3. Further processing of data (i.e. reducing this number by parcels affected by administrative transfers¹ and considering cases where the same person(s) owned multiple parcels as one case) resulted in the total number of 1.640 affected parcels. The main impacts associated with land acquisition on this sector can be divided into the following categories:

Table 1 Summary of Impacts

Impact		Affected land parcels	Affected households
Loss of potentially residential structures ²	Structures used as permanent residence	5	7
	Weekend houses and structures not used for permanent residence	5	9
	Total	10	16
Loss of business structures		2	2
Loss of auxiliary structures ³		44	80
Loss of land		1.640	NA ^(*)

As shown in the Table 1 above, 10 structures are identified as potentially residential (structures that can be used for permanent or long-term residence). It should be noted that there are 4 more structures whose owners refused to participate in the survey and their use could not be confirmed. This could, however, mean that the number of residential structures is higher (14 as a maximum).

¹ Transfer from one public ownership to another.

² Structures suitable for permanent or long-term residence. Survey confirmed that not all of these structures were used permanently by the PAPs.

³ One parcel can be affected by loss of two or more type of structures and therefore be included in several categories.

(*) The exact number of households affected by loss of land is difficult to determine based on the information available. The land registry system of the Republic of Serbia provides information on parcels according to the parcel number. Information that is generated shows, among others, the ownership structure over a parcel. The following are general characteristics of land ownership structure in the Republic of Serbia:

- One parcel can be owned by a single owner or by multiple owners (co-ownership). The co-owners are usually relatives and can, but do not necessarily belong to the same household.
- One person or one group of persons, that are usually relatives and can, but do not necessarily belong to the same household, can own more than one parcel.
- Multiple sole owners of parcels can belong to the same households (e.g. husband's and wife's respective family inheritances).

In practice, the land registry system in the Republic of Serbia allows us to learn the owner(s) of each individual land parcel affected by expropriation but does not give us an insight into the number of households that are affected in the process.

The process of expropriation for Sector 3 of Morava Corridor which is the subject of this Resettlement Action Plan began in April 2019 and was conducted in line with national legislative requirements of Republic of Serbia, mainly Law on Expropriation. This document provides gap analysis between the current expropriation practice and the Lenders' requirements⁴ and sets out actions on how to bridge them, through provision of adequate compensations and assistance to eligible project affected persons, as outlined in Chapter 5.6. These actions can be summarised as follows:

- Provision of transitional allowance,
- Provision of moving costs,
- Provision of registration, administrative and tax fees,
- Provision of costs for equipment relocation and installation,
- Mitigation measures that will be determined on a case-by-case basis for certain groups of PAPs (e.g. vulnerable groups).

It is important to note that, the abovementioned actions will not affect the prior acceptance or rejection of expropriation agreements, nor the compensations that were already received.

⁴ IFC Performance Standards (PS) on Environmental and Social Sustainability 2012 (PS5 "Land Acquisition and Involuntary Resettlement"), World Bank requirements of Environmental and Social Framework (ESF) (Environmental and Social Safeguard 5), IFC Good Practice Handbook: Land Acquisition and Resettlement, 2019

1 Scope of the Resettlement Action Plan

1.1 Introduction

Morava Corridor Motorway Project is 112.4 km long alignment located in West Morava Region of the Republic of Serbia. The commercial contract for the realization of the project for the construction of the highway was concluded between the Government of the Republic of Serbia (the “Financier”) and Corridor of Serbia d.o.o. (the “Investor”), (together as the “Employer”) on one side and Bechtel Enka JV (the “Contractor”) on the other. The GoS plans to finance some of the Project through international lender banks including J.P. Morgan (JPM) and guaranteed by UK Export Finance (UKF) and the Multilateral Investment Guarantee Agency (MIGA), an agency of the World Bank Group (together “the Lenders”).

The Project will require permanent and temporary land acquisition for the needs of the construction of the motorway, all structures (interchanges, underpasses, overpasses, bridges, culverts), and river regulation works of the West Morava river, as well as associated facilities (e.g. access roads, borrow pits, deposit areas, construction camps, etc.). The construction of the highway is divided into three sectors (further described in Section 2).

A Resettlement and Livelihood Restoration Framework (RLRF) was developed by 2U1K Engineering and Consultancy Inc. on behalf of Corridors of Serbia Ltd. and outlines the key land acquisition and resettlement principles and objectives to be followed, the organizational arrangements and other criteria to be applied during Project implementation to ensure adequate management of land acquisition and access over occupied land required for the Project.

Arup (the “Consultant”) was appointed to prepare a Resettlement Action Plan for each of the Project sectors, that will address all related needs and requirements with respect to the physical and economic displacement occurring as a consequence to the Project.

1.2 About this Document

This Resettlement Action Plan, and its detailed provisions, are prepared to comply with the national legislation of the Republic of Serbia and IFC Performance Standards (PS) on Environmental and Social Sustainability 2012, in particular with PS5 “Land Acquisition and Involuntary Resettlement”, World Bank requirements of Environmental and Social Framework (ESF), Environmental and Social Safeguard 5, as well as IFC Good Practice Handbook: Land Acquisition and Resettlement, 2019. In case of discrepancy between the aforementioned requirements, the more stringent will prevail.

The main objective of this RAP is to identify all people affected by the project and all adverse impacts on their livelihoods associated with the Project’s land acquisition, in order to allow provision of adequate compensations and assistance to eligible project affected persons (PAPs) and set out actions on how to avoid and

mitigate future impacts on land and provide prompt and effective compensation for any residual impacts to those eligible.

This RAP specifies the following:

- Provides baseline census of affected persons and asset information,
- Describes specific compensation rates and standards,
- Describes institutional responsibility for implementation and procedures for grievance redress,
- Describes procedures to be followed in respect to consultation and disclosure,
- Provides implementation and monitoring arrangements.

1.3 Methodology

The methodology applied during the preparation of this document is the combination of desktop analysis of available secondary data and the analysis of primary data collected during the site visits to the City of Cacak and City of Kraljevo (that are within sector 3) between 28th September and 27th October 2020 and 25th January and 2nd February, as well as through telephone interviews conducted between November 2020 and January 2021.

The scope of work undertaken during the RAP preparation includes:

- Screening of Project area and gathering secondary information on it,
- Census of the PAPs and their land, assets and property,
- Collection of demographic data on PAPs and their households,
- Socioeconomic assessment of PAPs and their households,
- Collection of information on past land acquisition for the Project,
- Review of the existing information: RLRf, Stakeholder Engagement Plan (SEP), data on the affected land parcels and persons delivered by Real Estate Cadastre
- Analysis of the legal framework of the Republic of Serbia and identification of gaps between its requirements and IFC Performance Standards (PS) on Environmental and Social Sustainability 2012, in particular with PS5 “Land Acquisition and Involuntary Resettlement”, World Bank requirements of Environmental and Social Framework (ESF), Environmental and Social Safeguard 5, as well as IFC Good Practice Handbook: Land Acquisition and Resettlement, 2019.

As specified in the Execution Plan, the socio-economic survey was conducted to cover the following sample size for each category in the Table 2 below.

Table 2 Target Sample Sizes for Socio-Economic Survey

No.	Category	Impact	Sample size
1	PAPs affected by physical displacement or loss of business structures, or PAPs affected by loss of structures used for rest and recreation or temporary residence during crops harvesting season (weekend houses and garden cottages)	Major	100%
2	PAPs with land-based livelihoods and PAPs whose large areas of land were expropriated (more than 30%)	Moderate	20%
3	PAPs whose small areas of land were expropriated (less than 30%)	Minor	10%

As per the initial desktop data, there are 38 land parcels with affected structures on Sector 3 (Table 3), which fall under Category 1 from Table 1 above, and who are majorly impacted. The RAP survey was used to verify and update this data in terms of defining whether the structure was used for residential purposes. The survey sample included all affected owners however the results show 78.9% completion instead of 100%, due to unwillingness of respondents to participate in the survey, or the fact they do not live in the same municipalities their land belongs to, and so they could not be contacted to participate in the survey.

Table 3 Information on Parcels with Affected Structures as received from the Cadastre register

	Residential Structures	Business Structures	Weekend Houses and Garden Cottages
No. of Parcels	12	2	26
No. of Parcel Owners	21	2	35
The simple sum of number of parcels is 40. However, there are two cases when parcels are affected by loss of two type of structures (residential and business and residential and garden cottage) and are therefore counted in both categories.			

According to the data received from the Real Estate Cadastre, there are 3,105 land parcels affected by expropriation on Sector 3. This information on the affected parcels for each cadastral municipality on the territory of the City of Cacak and City of Kraljevo was reduced by the number of parcels affected by administrative transfers (i.e. cases when the affected parcels were transferred from one public

owner to another), in order to determine the sample size for each cadastral municipality. Additionally, cases where the same person(s) owned multiple parcels were considered as one case.

Following the abovementioned methodology, the Consultant determined target sample size for categories 2 and 3 from the Table 2, for each of the affected cadastral municipalities (CM). As shown in the Table 4, the target sample size was reached in every cadastral municipality, except in CM Ljubic and CM Rakova. The reason for this is the total small number of PAPs in these cadastral municipalities (6 in Ljubic and 8 in Rakova), which made it difficult to the team to get in touch with anyone who had their land expropriated in those communities. There were a few cases when it was determined during the interviews with the respondent, that they, or another member from their household, own several land parcels affected by the Project in the same or several different cadastral municipalities on Sector 3. In such cases, they were marked as a “conducted survey” for each parcel. Additionally, defined target numbers were exceeded in some of the cadastral municipalities, where PAPs showed higher interest to participate in the survey and approached the surveying team.

Table 4 Determination of the Target Sample Size

Cadastral Municipality (CM)	Total Number of Parcels as Received from Real Estate Cadastre (a)	Number of administrative transfers	Number of Affected Owners				Target Sample Size		Number of Conducted Surveys	
			Major impact (b)	Medium Impact (c)	Minor Impact (d)	Total (b+c+d)	Medium Impact	Minor Impact	Medium Impact	Minor Impact
City of Cacak										
Baluga Ljubicska	232	39	1	52	42	95	10	4	11	7
Baluga Trnavska	106	6	0	42	19	61	8	2	8	2
Donja Gorevnica	125	5	0	50	38	88	10	4	10	4
Goricani	159	40	0	40	14	54	8	1	12	1
Katrga	309	43	0	92	48	140	18	5	22	5
Konjevici	46	11	2	12	9	23	2	1	2	4
Kukici	131	26	0	55	26	81	11	3	11	4
Ljubic	6	4	0	1	1	2	1	1	0	0
Mojsinje	99	8	0	34	23	57	7	2	6	4
Mrcajevci	237	32	0	96	43	139	19	4	21	15
Mrsinci	73	8	1	21	18	40	4	2	12	2

Preljina	102	26	2	31	23	56	6	2	7	6
Stancici	82	8	0	22	14	36	4	1	6	1
Rakova	8	1	0	1	6	7	1	1	0	0
Vapa	49	5	0	18	8	26	4	1	4	1
Zablance	206	6	1	74	35	110	15	4	15	4
City of Kraljevo										
Adrani	215	43	0	82	42	124	16	4	16	5
Bapsko Polje	110	8	0	44	13	57	9	1	9	1
Cvetke	25	8	0	8	3	11	2	1	2	1
Grdica	12	4	0	7	0	7	1	0	1	0
Milocaji	259	28	2	98	51	151	19	5	20	5
Mrsac	195	24	2	69	39	110	14	4	16	3
Obrva	206	16	1	71	44	116	14	4	14	4
Popovici	113	9	0	39	10	49	8	1	8	1
Total	3105	407	12	1059	569	1640	211	58	233	80

2 Project Description and Potential Project Impacts

2.1 About the Project

Morava Corridor Motorway Project is 112.4 km long alignment located in West Morava Region of the Republic of Serbia, that connects Preljina with Pojate, via Krusevac.



Figure 1 Project Alignment

The Project has been divided into 3 Sectors, each with 3 Sections along each Sector:

- 1. Sector 1: Pojate – Krusevac (27.83 km long)**
 - 1) Pojate – bridge across South Morava
 - 2) Bridge across South Morava – Makresane
 - 3) Makresane – Kosevi

2. Sector 2: Krusevac (Kosevi) – Adrani (53.90 km long)

- 4) Krusevac (Kosevi) -Loposka river
- 5) Loposka river – Trstenik
- 6) Trstenik – Tovarnica river
- 7) Tovarnica river - Adrani

3. Sector 3: Adrani – Preljina (30.66 km long)

- 8) Adrani interchange – Mrcajevci interchange
- 9) Mrcajevci interchange – Preljina interchange
- 10) Preljina interchange - Preljina interchange (E-763)

The Project will require permanent and temporary land acquisition for the needs of the construction of the motorway with all structures (interchanges, underpasses, overpasses, bridges, culverts), and river regulation works of the West Morava river, as well as associated facilities (e.g. access roads, borrow pits, deposit areas, construction camps, etc.).

The motorway is designed with two lanes 3,75 m wide in each direction, 2,50 m wide emergency lanes, 2x (1,0 m + 0,5 m) marginal strips, 4 m wide median and 1,5 m wide shoulders. The width of the road is 11,5 m per direction, and the total width of the cross section is 30,00 m. The Project involves the construction of 11 interchanges: Pojate, Cicevac, Krusevac East, Krusevac West, Velika Drenova, Trstenik, Vrnjacka Banja, Vrba, Kamidzora, Adrani and Preljina. The construction of 130 road facilities is planned: 71 bridge, 28 overpasses and underpasses and 31 box culverts. On the route of the motorway, facilities planned for the needs of users include: 3 parking lots - "Moraviste", "Donji Kosevi" and "Donja Ratina" and the resting area "Mrcajevci".

2.2 Affected Communities

Sector 3 road alignment passes through the area administratively covered by the City of Cacak and the City of Kraljevo. According to administrative division of the Republic of Serbia, both Cacak and Kraljevo encompass within their boundaries smaller settlements – villages and city municipalities (please see Appendix C for maps). On the other hand, cadastral municipalities record property ownership in the cadastre and show boundary lines of the real estate. In most cases, the territory of a cadastral municipality overlaps with the territory of a settlement (Table 5). Cadastral parcel is defined as basic cadastral territorial unit and represents a part of the land in the cadastral municipality determined by the border and marked with a unique number, over which there is a right of ownership. One person can have the ownership right over more than one parcel. Similarly, one parcel can be owned by more than one owner (co-ownership). It should be noted that, in this case, the co-owners do not always have equal shares of the parcel. The right of ownership is divided, and each of the co-owners has a certain, so-called ideal part, represented by a fraction or a percentage.

Table 5 List of Municipalities and Cadastral Municipalities

City	Settlement (city municipality or village)	Cadastral Municipality (CM)
City of Cacak	Baluga Ljubicska	CM Baluga Ljubicska
	Baluga Trnavska	CM Baluga Trnavska
	Donja Gorevnica	CM Donja Gorevnica
	Goricani	CM Goricani
	Katrga	CM Katrga
	Konjevici	CM Konjevici
	Kukici	CM Kukici
	Ljubic	CM Ljubic
	Mojsinje	CM Mojsinje
	Mrcajevci	CM Mrcajevci
	Mrsinci	CM Mrsinci
	Preljina	CM Preljina
	Stancici	CM Stancici
	Rakova	CM Rakova
	Vapa	CM Vapa
Zablance	CM Zablance	
City of Kraljevo	Adrani	CM Adrani
	Bapsko Polje	CM Bapsko Polje
	Cvetke	CM Cvetke
	Grdica	CM Grdica

City	Settlement (city municipality or village)	Cadastral Municipality (CM)
	Milocaji	CM Milocaji
	Mrsac	CM Mrsac
	Obrva	CM Obrva
	Popovici	CM Popovici

The City of Cacak and the City of Kraljevo both experienced increase in the number of population in the past decades. This increase is limited to the urban areas and the surrounding settlements. Contrary to that, the number of population in rural areas, remote villages and settlements has been declining. These demographic trends are common for almost every municipality in the Republic of Serbia. In the City of Cacak, a population growth of 17,8% has been recorded in the period between 1971-2011. However, the growth has been recorded only in the municipal centre and in a limited number of surrounding villages (Baluga Ljubicka, Konjevici, Preljina, and Vapa). In a number of other settlements, the number of population is in stagnation (Baluga Trnavska, Ljubic, Mojsinje, Stancici, Zablace), while in other they it is in significant decline. Similarly, the population in City of Kraljevo has recorded a trend of population growth in the same period. The growth is mostly localized to the municipal centre and the settlement Adrani, while the number of population in the remaining settlements stagnates or declines.⁵

Table 6 Comparative Overview of the Number of Population

City	Number of Population in 1971	Number of Population 2011
City of Cacak	97,924	115,337
Urban	48,981	73,331
Rural	48,943	42,006
Baluga Ljubicka	361	415
Baluga Trnavska	697	726
Donja Gorevnica	983	877
Goricani	970	698
Katrga	1,282	877
Konjevici	579	859
Kukici	641	490
Ljubic	70	61

⁵ 2011 Census of Population, Households and Dwellings in the Republic of Serbia. Comparative Overview of the Number of Population in 1948, 1953, 1961, 1971, 1981, 1991, 2002 and 2011. Data by settlements. Book 20. Belgrade 2014. (pages 70, 83)

City	Number of Population in 1971	Number of Population 2011
Mojsinje	891	836
Mrcajevci	3,092	2,767
Mrsinci	1,347	1,264
Preljina	1,437	1,840
Stancici	867	661
Rakova	300	331
Vapa	600	695
Zablance	1,081	1,170
City of Kraljevo	106,153	125,488
Urban	38,760	68,749
Rural	67,393	56,739
Adrani	1,709	2,232
Bapsko Polje	259	248
Cvetke	1,208	977
Grdica	1,137	819
Milocaji	1,191	1,019
Mrsac	1,410	1,307
Obrva	898	653
Popovici	391	307
Total	227,478	262,954

These trends are a direct consequence of the fact that public sector investments (utility infrastructure, road infrastructure, education, health and social protection, culture, administration) are being directed prevalently to municipal centres. Rural settlements in the close vicinity of the municipal centres do experience demographic growth, which is a consequence of the tendency of inhabitants of more distant settlements to bring their lives closer to the municipal centres.

Changes in the numbers of households are similar to changes in the population numbers. However, the decrease in the number of households is slower in comparison to the number of inhabitants for two reasons. The primary reason is separation of generations and establishment of separate households independently from parental homes in the same or different settlement, while the second reason is continued existence of old-aged households with one or two members, most commonly with both members aged over 65 years.⁶

⁶ 2011 Census of Population, Households and Dwellings in the Republic of Serbia. Comparative Overview of the Number of Households in 1948 -2011. and Dwellings in 1971 – 2011. Data by settlements. Book 21. Belgrade 2014. (pages 118, 144)

Table 7 Comparative Overview of the Number of Dwellings for Permanent Habitation in 1971 and 2011

City	Number of Households in 1971	Number of Households 2011
City of Cacak	28,667	39,409
Urban	15,398	25,664
Rural	13,269	13,745
Baluga Ljubicka	96	122
Baluga Trnavska	173	202
Donja Gorevnica	303	313
Goricani	266	225
Katrga	358	277
Konjevici	152	269
Kukici	169	161
Ljubic	19	21
Mojsinje	258	277
Mrcajevci	914	913
Mrsinci	378	385
Preljina	383	552
Stancici	201	211
Rakova	72	83
Vapa	158	202
Zablance	292	364
City of Kraljevo	29,446	42,028
Urban	12,362	23,568
Rural	17,084	18,460
Adrani	442	726
Bapsko Polje	73	83
Cvetke	303	268
Grdica	308	251
Milocaji	290	296
Mrsac	363	402
Obrva	219	201
Popovici	91	92
Total	64,394	88,333

When analysing the data on dwelling for permanent habitation according to the occupancy, we see that in all municipalities as well as in settlements in the area impacted by the Project, the proportion of dwellings for permanent habitation

which are currently not being used and are abandoned or empty is relatively high, particularly in rural areas.⁷

Table 8 Dwellings for Permanent Housing According to the Occupancy Status 2011

City	Total number of dwellings	Occupied	Temporarily unoccupied or abandoned	Used occasionally (for vacation, recreation and during seasonal agricultural works)	Other ⁸
City of Cacak	51,482	38,590	7,828	4,625	593
Urban	29,575	25,031	4,043	274	294
Rural	21,907	13,559	3,785	4,351	299
Baluga Ljubicka	146	114	15	17	0
Baluga Trnavska	230	202	22	6	0
Donja Gorevnica	463	310	114	37	4
Goricani	334	222	31	81	2
Katrga	459	273	116	68	2
Konjevici	310	268	28	14	1
Kukici	204	160	29	15	0
Ljubic	36	21	10	5	0
Mojsinje	408	272	69	51	19
Mrcajevci	1,278	902	233	141	6
Mrsinci	518	382	66	67	5
Preljina	772	548	93	125	19
Stancici	102	83	15	5	0
Rakova	321	209	12	100	1
Vapa	242	198	38	6	4
Zablance	471	358	77	35	5
City of Kraljevo	53,367	41,358	8,607	3,258	393
Urban	27,538/	23,213	3,839	387	227
Rural	25,829	18,145	4,768	2,871	166
Adrani	835	714	95	24	11

⁷ 2011 Census of Population, Households and Dwellings in the Republic of Serbia. Number and the Floor Space of Housing Units. Data by settlements. Book 22. Belgrade 2013. (pages 190, 242)

⁸This number includes the following categories: structures used only for performing activities, occupied business premises, premises occupied from necessity, collective housing units.

City	Total number of dwellings	Occupied	Temporarily unoccupied or abandoned	Used occasionally (for vacation, recreation and during seasonal agricultural works)	Other ⁸
Bapsko Polje	129	83	41	5	0
Cvetke	424	267	87	68	3
Grdica	314	250	35	29	0
Milocaji	378	296	48	34	0
Mrsac	521	401	77	42	1
Obrva	301	200	49	52	1
Popovici	117	90	14	12	1
Total	114,162	86,771	13, 810	8,922	1,071

According to the national Bureau of Statistics, the average net salary (without taxes and contributions) in August 2020 at national level was at 59,698 RSD (approx. 505 EUR), while the employees in the City of Cacak earned 50,130 RSD (approx. 427 EUR), and 49,692 RSD (approx. 423 EUR) in the City of Kraljevo.

2.3 Project Impacts and Risks

Considering the Project nature and scale, as well as the characteristics of the communities in the area under Project impact, the following impacts and risks have been identified:

Table 9 Project Impacts and Risks

Impact	Risk / Description
Pre-Construction Phase	
Loss of land	Loss of construction land
	Loss of agricultural land (cultivated and not cultivated)
Loss of crops	Loss of annual and perennial plants
Physical displacement	Loss of housing resulting in physical relocation
Economic displacement	Inability to continue with agricultural production
	Loss of income from land lease
	Loss of rural infrastructure (irrigation systems, informal access roads)

Impact	Risk / Description
	Loss of auxiliary structures
	Loss of agricultural activities for subsistence production
	Loss of grazing areas for livestock
	Loss of business facilities
Construction phase	
Economic displacement	Encroachment – construction activities outside of site boundaries (Construction machines, works, excess deposit materials, waste, etc.)
	Temporary loss of access to property due to disconnected rural roads
	Damage to existing rural infrastructure (irrigation systems, informal access roads)
	Damage to private property and failure from contractor to remedy damages (fences, auxiliary structures, houses, etc.)
	Loss of agricultural production due to soil contamination
Temporary land acquisition	Loss of potential for agricultural production due to soil contamination (failure to reinstitute land)

Impact	Risk / Description
Operational phase	
Loss of access to property	Permanent loss of access to property due to disconnected or severely damaged rural roads ⁹
Economic displacement	Loss of agricultural production from traffic nuisances and inadequately designed/performed construction works (dust, flooding due to poor drainage systems, land contamination)

⁹ As adaptive design management approach is implemented on the Project, it is not expected that the number of people affected by permanent loss of access to property will be significant.

3 Legal Framework

3.1 National Legislation Requirements

The key laws directly regulating the field of land acquisition/expropriation in the Republic of Serbia are:

- Law on Expropriation ("Official Gazette of the Republic of Serbia", No. 53/95, "Official Gazette of the FRY", No. 16/2001 - decision of the Constitutional Court and "Official Gazette of the Republic of Serbia", No. 20/2009 and 55/2013 - decision of the CC),
- Law on Forests ("Official Gazette of RS", No. 30/2010),
- Law on Agricultural Land ("Official Gazette of the Republic of Serbia", No. 62/2006, 65/2008 - other law, 41/2009 and 112/2015),
- State Geometry and Cadastre Act ("Official Gazette of the Republic of Serbia", No. 72/2009, 18/2010, 65/2013 and 15/2015 - decision of the C.C.),
- Water Act ("Official Gazette of the Republic of Serbia", No. 30/2010),
- The Law on Public Property ("Official Gazette of the Republic of Serbia" No. 72/2011, 88/2013 and 105/2014),
- Law on Planning and Construction ("Official Gazette of the Republic of Serbia" No. 72/2009, 81/2009 - exp., 64/2010 - decision CC, 24/2011, 121/2012, 42/2013 - decision CC, 50/2013 - decision CC, 98/2013 - decision CC, 132/2014 and 145/2014),
- Law on the Basis of Ownership Legal Relations ("Official Gazette of the SFRY", Nos. 6/80 and 36/90, "Official Gazette of FRY", No. 29/96 and "Official Gazette of the Republic of Serbia", No. 115/2005).

The Law on Expropriation guides the process and serves as a general framework for expropriation in the Republic of Serbia. Its most important features are as follows:

- ensure simple, efficient process, reducing as far as possible the need for a lengthy judicial process to facilitate necessary expropriation. Under normal circumstances, the entire process of land acquisition can be completed within six months,
- provide the fair value for the affected land and assets, as determined by the Tax Administration, on behalf of the "Beneficiary of Expropriation". The value is assessed on the basis of current market price,
- in cases of privately-owned agricultural land, and if comparable land of the same type and quality, or the appropriate value, in the same area or vicinity, offer it to the Project Affected Person with formal title,

- the comparability of land is determined on the basis of an assessment of the available public land, by an accredited expert hired by or upon proposal of the Beneficiary of Expropriation,
- if the project affected person does not opt for land-for-land compensation they are offered cash; If the Project Affected Person wishes to challenge the assessment of “fair value” they can resort to the judicial process,
- in cases of project affected persons, without formal title, who has built a permanent structure without a formal building permit, compensation can be paid if decided by a Court under the Law on Fundamentals of Property Relations, in terms of the investment made and as determined by an accredited expert,
- in cases of partial expropriation and if the project affected person determines that the remaining part is unviable, i.e. there is no economic interest to it, they can submit a request for the acquisition of the unviable part. The accredited expert decides on the merits of such requests.

3.2 Summary of Applicable Requirements

Along with the obligation for the Corridors of Serbia to fulfil national legislative requirements, it also has to fulfil the requirements lenders which will participate in the financing of the Project. The relevant requirements stemming IFC Performance Standards (PS) on Environmental and Social Sustainability 2012, in particular with PS5 “Land Acquisition and Involuntary Resettlement”, World Bank requirements Environmental and Social Framework (ESF), Environmental and Social Safeguards 5, as well as IFC Good Practice Handbook: Land Acquisition and Resettlement, 2019, are in short:

- to avoid, or as a minimum reduce as much as possible, project induced physical or economic displacement whenever feasible, by exploring alternative project designs,
- where physical or economic displacement is unavoidable, to provide displaced communities and persons with compensation for loss of assets at full replacement cost,
- to mitigate adverse social impacts from land acquisition (loss of housing and/or livelihoods) by providing compensation and/or resettlement options and restoration of livelihoods, regardless of whether formal legal rights over land / structures exist,
- to improve, or as a minimum restore, the livelihoods of displaced persons, including those who have no legally recognisable rights or claims over the land they occupy,
- the development and implementation of a Resettlement Action Plan must include consultations and ensure the participation of project affected persons. Consultations must be meaningful and culturally acceptable and must include the host population,
- to make special provisions for assisting disadvantaged or vulnerable individuals and/or groups (present in the project affected area at the time

of the cut-off date) that may be more adversely affected by displacement than others and who may be limited in their ability to claim or take advantage of livelihood restoration assistance and related development benefits,

- to engage with the stakeholders at an early stage of the Projects and establish an efficient grievance mechanism.

3.3 Summary of Main Gaps between National Legislation and Applicable Requirements

The requirements of national legal regulations regarding expropriation in the Republic of Serbia are, to a great extent, in line with the requirements of IFC Performance Standards (PS) on Environmental and Social Sustainability 2012, in particular with PS5 “Land Acquisition and Involuntary Resettlement”, World Bank requirements of Environmental and Social Framework (ESF), Environmental and Social Safeguard 5, as well as IFC Good Practice Handbook: Land Acquisition and Resettlement, 2019. The main discrepancies identified are listed below. Full gap analysis between applicable requirements is available in Resettlement and Livelihood Restoration Framework.

- The legislative framework of the Republic of Serbia does not contain provisions regarding the early engagement of stakeholders, or their empowerment to participate in the decision-making process during the expropriation. Persons who will be formally affected by the expropriation process usually receive the first information about this through the publication of the public interest.
- The legislative framework of the Republic of Serbia provides for fair compensation for the project affected land, facilities and crops, but it does not take into account depreciation. The law does not envisage any additional assistance or compensation during and after relocation, other than the replacement cost. The owners do not get any support for re-establishing their assets (no fast track administration procedure for permits, licenses or utility connections). The right to compensation is provided only to formal owners, while informal owners or users can receive compensation only if they meet specially prescribed conditions.
- Apart from the preparation of Expropriation Studies with a list of formal owners and their property, the legislation does not provide for the compilation of other documents that would eliminate or reduce the adverse socio-economic impacts related to expropriation.
- The legislative framework of the Republic of Serbia does not contain special requirements for vulnerable groups.
- The legislative framework of the Republic of Serbia acknowledges the PAPs’ right to appeal at different stages of the expropriation procedure, but there is no requirement for the establishment of grievance mechanism.

4 Principles, Objectives and Processes

4.1 Principles and Objectives

The main objective of this document is to specify what procedures are to be followed and what specific actions are to be undertaken in order to properly acquire land and adequately compensate people affected by the Project. The actions from this RAP will enable adequate participation of the affected people in the land acquisition process, consultation during all phases and full functioning of the grievance mechanism.

The objectives of this document are:

- To minimize possible adverse impacts of Project on the affected population,
- To mitigate adverse social and economic impacts of land acquisition and temporary or permanent losses by providing compensation for losses of property on the basis of replacement cost,
- To mitigate adverse social and economic impacts from restricted access to property, including businesses,
- To establish organizational systems and procedures for monitoring the realization of this plan and to take corrective measures.

The principles which underpin this document are as follows, and shall be adhered to during Project implementation:

- Land acquisition will be carried out in compliance with the applicable legislation in Republic of Serbia (in particular, the Law on Expropriation of RS), PS 5, ESS 5 and IFC Good Practice Handbook: Land Acquisition and Resettlement, 2019 as described in this document, and good international practice.
- Temporary occupation of land for construction purposes will be compensated in accordance with the Law on Expropriation of Republic of Serbia.
- PAPs will be assisted in all phases of the Project in their effort in restoration of livelihood and living standards in real terms to the level prior to Project implementation.
- Short-term impacts related to loss of and/or disruption in access to assets will be mitigated by ensuring access paths are provided.
- Special support and concern in the land acquisition process, as well as during implementation off all phases of the Project is provided for affected vulnerable groups, according to their specific vulnerability. Inclusion of women from affected households in all public consultation, in order to facilitate their equal participation in mitigation measures guaranteed under this RAP. The documentation for ownership or occupancy, such as title deeds and lease agreements (including the bank accounts established for payment of compensation), should be issued in the names of both spouses, if the expropriated assets are part of marital property of both spouses. Any other

assistance will be made equally available to men and women and adapted to their needs.

- During the Project implementation and resettlement cycle, stakeholders will be provided with full information about their grievance rights, possibilities and procedures. All grievances will be taken into account during Project implementation and resettlement activities.

4.2 Process Overview

The process of Resettlement Action Plan was preceded by a series of activities, as described below:

1. Establishment of the Public Interest

Law on Determining the Public Interest and Special Procedures for the Implementation of the Project for the Construction of the Infrastructure Corridor of the Highway E-761, Section Pojate-Preljina was adopted in July 2019 (Official Gazette of RS No 49/2019), establishing public interest for expropriation of land and assets for the construction of Morava Corridor.

2. Delineation in the Field of Project Footprint

The construction of the Morava Corridor has been determined by the Spatial Plan of Special Purpose of the Infrastructure Corridor of the E761 Motorway – Decree on Determining the Spatial Plan of Special Purpose of the Infrastructure Corridor of the E761 Motorway ("Official Gazette of RS", No. 10 dated 6.2.2020). In line with national legislative requirements, this document was adequately disclosed and available for comments. (Please see 7.1 for more information).

3. Definition of the Cut-off Date

The cut-off date, i.e. the moratorium date after which the persons encroaching into the Project area or any investments in fixed assets are not eligible for compensation or any other form of assistance, is defined by Resettlement and Livelihood Restoration Framework as 10 days from the day of public consultations meeting of this document in each affected municipality. In terms of municipalities processed in this RAP, those are the following dates:

- 19th February 2020, 15h in the premises of the City of Kraljevo
- 20th February 2020, 10h in the premises of the City of Cacak

4. Preliminary Entitlement Framework

Resettlement and Livelihood Restoration Framework (RLRF) was developed by 2U1K Engineering and Consultancy Inc. on behalf of Corridors of Serbia and it outlines the key land acquisition and resettlement principles and objectives to be followed, the organizational arrangements and other criteria to be applied to during Project implementation to ensure adequate management of land acquisition and access over occupied land required for the Project.

5. The Expropriation Process

The process of expropriation for Sector 3 of Morava Corridor which is the subject of this Resettlement Action Plan began in April 2019. The process is still ongoing for those PAPs that did not sign the compensation agreements, i.e. where court procedures are initiated. As per information received from CoS, the number of such cases is 170, all of which are ongoing. According to Environmental and Social Impact Assessment (November 2020) the process was conducted through the following steps:

- 1) Obtaining information on the affected persons and assets from the Republic Geodetic Authority
- 2) Submission of the expropriation requests to the relevant municipalities
- 3) Submission of compensation offers based on valuation studies to the relevant municipalities, which are then forwarded to the affected owners
- 4) Negotiation of the Compensation Costs and Signing off Compensation Agreements

6. Socio-economic survey

The Consultant performed the collection of primary data during the site visits to the City of Cacak and City of Kraljevo (that are within sector 3) between 28th September and 27th October 2020 and 25th January and 2nd February, as well as through telephone interviews conducted between November 2020 and January 2021. This data was used to determine type of impacts on the communities in the Project area and define the entitlements matrix.

5 Affected Assets, Affected People and Entitlements

Table 10 below shows information on the affected land on Sector 3, as per information received from Real Estate Cadastre. The available data indicated that agricultural land is most affected in almost all cadastral municipalities. In the majority of cadastral municipalities, construction land is not affected by expropriation to a great extent, with an exception of those municipalities that are in close vicinity to the cities, e.g. Adrani and Preljina.

Table 10 Land Use of the Affected Parcels

Cadastral Municipality (CM)	Total area of parcels (ha)	Total area affected (ha)	Smallest affected area (ha)		Largest affected area (ha)		Average affected area (ha)	Land Use							
			Privat	Public	Private	Public		Agricultural Land		Construction Land		Other ¹⁰		Forest	
								No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)
City of Cacak															
Baluga Ljubicka	99.15	37.35	0.0011	0.0008	1.77	1.63	0.16	226	No info	20	No info	29	No info	11	No info
Baluga Trnavska	50.76	22.36	0.0008	0.02	1.63	2.19	0.21	79	No info	1	No info	41	No info	22	No info

¹⁰ other naturally barren land and parcels with no information on land use

Cadastral Municipality (CM)	Total area of parcels (ha)	Total area affected (ha)	Smallest affected area (ha)		Largest affected area (ha)		Average affected area (ha)	Land Use							
			Privat	Public	Private	Public		Agricultural Land		Construction Land		Other ¹⁰		Forest	
								No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)
Donja Gorevnica	70.97	19.60	0.0003	0.03	1.04	1.10	0.15	109	No info	0	No info	11	No info	22	No info
Goricani	57.5	25.16	0.0002	0.0002	0.73	1.16	0.15	80	No info	0	No info	74	No info	22	No info
Katrga	134.86	48.38	0.0012	0.0008	1.14	2.74	0.15	202	No info	0	No info	45	No info	100	No info
Konjevici	21.04	6.34	0.0004	0.0024	0.67	0.84	0.13	0	No info	58	No info	0	No info	2	No info
Kukici	62.75	26.61	0.0002	0.0046	1.06	2.82	0.20	44	No info	0	No info	37	No info	17	No info
Ljubic	7.75	0.96	0.0143	0.0511	0.22	0.33	0.16	1	No info	0	No info	4	No info	0	No info

Cadastral Municipality (CM)	Total area of parcels (ha)	Total area affected (ha)	Smallest affected area (ha)		Largest affected area (ha)		Average affected area (ha)	Land Use							
			Privat	Public	Private	Public		Agricultural Land		Construction Land		Other ¹⁰		Forest	
								No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)
Mojsinje	57.92	16.96	0.0003	0.030	0.10	0.82	0.17	81	No info	5	No info	17	No info	10	No info
Mrcajevci	112.57	36.21	0.0009	0.0021	0.83	1.45	0.15	120	No info	0	No info	24	No info	45	No info
Mrsinci	52.74	16.21	0.0005	0.0325	1.02	1.78	0.22	56	No info	0	No info	20	No info	18	No info
Preljina	49.22	19.05	0.0069	0.0035	1.13	1.16	0.18	40	No info	87	No info	3	No info	0	No info
Stancici	33.43	9.75	0.0005	0.0037	0.69	0.29	0.11	54	No info	5	No info	2	No info	20	No info
Rakova	8.07	0.32	0.0037	0.04	0.14	0.04	0.04	6	No info	0	No info	1	No info	1	No info

Cadastral Municipality (CM)	Total area of parcels (ha)	Total area affected (ha)	Smallest affected area (ha)		Largest affected area (ha)		Average affected area (ha)	Land Use							
			Privat	Public	Private	Public		Agricultural Land		Construction Land		Other ¹⁰		Forest	
								No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)
Vapa	32.92	12.94	0.0076	0.0010	1.29	1.05	0.26	18	No info	0	No info	33	No info	5	No info
Zablace	78.07	33.59	0.0004	0.0362	1.32	1.60	0.16	200	No info	0	No info	37	No info	37	No info
City of Kraljevo															
Adrani	133.97	43.85	0.0014	0.0021	1.95	4.14	0.20	135	No info	127	No info	68	No info	23	No info
Bapsko Polje	49.29	22.98	0.0015	0.0019	1.04	0.56	0.20	56	No info	6	No info	44	No info	15	No info
Cvetke	5.13	2.60	0.0049	0.0004	0.48	0.14	0.10	16	No info	1	No info	1	No info	8	No info

Cadastral Municipality (CM)	Total area of parcels (ha)	Total area affected (ha)	Smallest affected area (ha)		Largest affected area (ha)		Average affected area (ha)	Land Use							
			Privat	Public	Private	Public		Agricultural Land		Construction Land		Other ¹⁰		Forest	
								No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)
Grdica	2.09	1.20	0.05	0.002	0.28	0.06	0.10	0	No info	13	No info	0	No info	0	No info
Milocaji	115.09	38.23	0.006	0.0038	0.09	0.10	0.14	245	No info	12	No info	59	No info	24	No info
Mrsac	144.08	42.37	0.005	0.0013	1.20	0.72	0.21	143	No info	11	No info	39	No info	49	No info
Obrva	138.83	33.14	0.0002	0.0037	1.42	0.75	0.16	218	No info	9	No info	26	No info	28	No info
Popovici	63.11	25.94	0.0013	0.0252	1.20	1.14	0.22	76	No info	1	No info	49	No info	5	No info

5.1 Categorization of Impacts

All parcels affected by expropriation for the Project purposes are divided into three groups according to the impact magnitude:

1. Major impact: parcels whose owner(s) lose residential or business structure which leads to physical and/or economic displacement, or they lose non-residential and non-business structure that was used for rest and recreation or temporary residence during crops harvesting season.
2. Moderate impact: parcels where more than 30% of the area of the affected parcel(s) is subject to expropriation, but there is no need for physical relocation.
3. Minor impact: parcels where less than 30% of the area of the affected parcel(s) is subject to expropriation, and there is no need for physical relocation.

It should be noted that points 2 and 3 refer to the area of those parcels that are subject to expropriation for the purposes of this Project and not to the share in the total land area owned by the PAPs. In most cases, PAPs own other land plots that are not subject to expropriation.

According to the information initially received from Real Estate Cadastre, there are 3,105 land parcels affected by expropriation on Sector 3. In further processing of the data, this number was reduced by the number of parcels affected by administrative transfers (i.e. 407 cases when the affected parcels were transferred from one public owner to another). Additionally, the parcels owned by the same owner(s) were considered as one case (which additionally reduced the total number by 1,058), thus reaching the number of 1,640 affected parcels. Table below shows the number of parcels by type of impact in each of the cadastral municipalities on Sector 3.

Table 11 Affected Parcels by Type of Impact

Cadastral Municipality	Major Impact			Medium Impact	Minor Impact
	Potentially Residential Structures	Business Structures	Weekend Houses and Garden Cottages		
City of Cacak					
Baluga Ljubicka	0	0	1	52	42
Baluga Trnavska	0	0	0	42	19
Donja Gorevnica	0	0	0	50	38

Cadastral Municipality	Major Impact			Medium Impact	Minor Impact
	Potentially Residential Structures	Business Structures	Weekend Houses and Garden Cottages		
Goricani	0	0	0	40	14
Katrga	0	0	0	92	48
Konjevici	2	0	0	12	9
Kukici	0	0	0	55	26
Ljubic	0	0	0	1	1
Mojsinje	0	0	0	34	23
Mrcajevci	0	0	0	96	43
Mrsinci	0	0	1	21	18
Preljina	1	1	0	31	23
Stancici	0	0	0	22	14
Rakova	0	0	0	1	6
Vapa	0	0	0	18	8
Zablace	1	0	0	74	35
City of Kraljevo					
Adrani	0	0	0	82	42
Bapsko Polje	0	0	0	44	13
Cvetke	0	0	0	8	3
Grdica	0	0	0	7	0
Milocaji	0	1	1	98	51

Cadastral Municipality	Major Impact			Medium Impact	Minor Impact
	Potentially Residential Structures	Business Structures	Weekend Houses and Garden Cottages		
Mrsac	1	0	1	69	39
Obrva	0	0	1	71	44
Popovici	0	0	0	39	10
Total	5	2	5	1059	569

One of the PAPs whose residential structure is impacted by the Project confirmed that they do not use that structure as their permanent residence and there are no other tenants in it, while the remaining four confirmed that they will be physically resettled. In two cases, PAPs' non-agricultural business structures were affected by expropriation: (1) a car dealer shop and (2) a manufacturing shop. As for the Project's impact on households that rely on agriculture as a source of livelihood, 75.3% of PAPs in Kraljevo and 71.2% of PAPs in Cacak reported that they will continue to engage in agriculture, so it can be assumed that the expropriation does not have a great impact on the land-based livelihoods. The table below shows information on PAPs who answered they will not continue to engage in agriculture. However, it should be noted that it is hard to distinguish those who will not be able to do so as a consequence to the Project from those who are unable to continue with agricultural engagement due to their old age (around half of the surveyed property owners in both Cacak and Kraljevo are 65 years old and older).

Table 12 Summary of Impacts on Physical and Economic Displacement

	Physical resettlement	Economic displacement – loss of business structures	Economic displacement – land-based livelihoods (PAPs who will not continue to engage in agriculture)
Number of parcels	4	2	56
% in relation to the number of survey parcels	1.4%	0.7%	19.7%

	Physical resettlement	Economic displacement – loss of business structures	Economic displacement – land-based livelihoods (PAPs who will not continue to engage in agriculture)
% in relation to the total number of parcels on sector 3	0.2%	0.1%	NA ¹¹

5.2 Census of Affected Assets and Affected Businesses

The alignment on Sector 3 impacts 24 cadastral municipalities (CM) within the administrative areas of the City of Cacak and the City of Kraljevo.

The socio-economic survey on Sector 3 covered 284 PAPs. The full database of the socio-economic survey is available in the form of Excel database. Information about individual persons and their assets is confidential and will not be publicly disclosed.

The survey gathered detailed information on households and PAPs' living standards, incomes and livelihood sources. The objective of the survey was to identify potential adverse impacts on PAPs and potentially vulnerable people and households, and to serve as a baseline to measure effectiveness of this Resettlement Action Plan and mitigation measures.

These are the following main topics covered providing benchmarks for future monitoring and evaluation of RAP implementation:

- demographic information
- household composition
- PAPs' economic activities and livelihood sources
- PAPs' health & welfare

5.3 Affected People

Gender and Age Distribution of the Property Owners

There was a total of 284 respondents in the survey: 191 whose land belonged to the territory of the City of Cacak and 93 whose land belonged to the territory of the City of Kraljevo. As shown in the Figures 2 and 3 below, in 81.7% of the survey respondents in case of Cacak and 69.9% of the respondents in case of

¹¹ This information would not have statistical significance as the data is available for surveyed parcels only.

Kraljevo were the expropriated property owners. The next groups of the respondents according to their representation were parents of the owners, spouses and children and grandchildren of the owners.

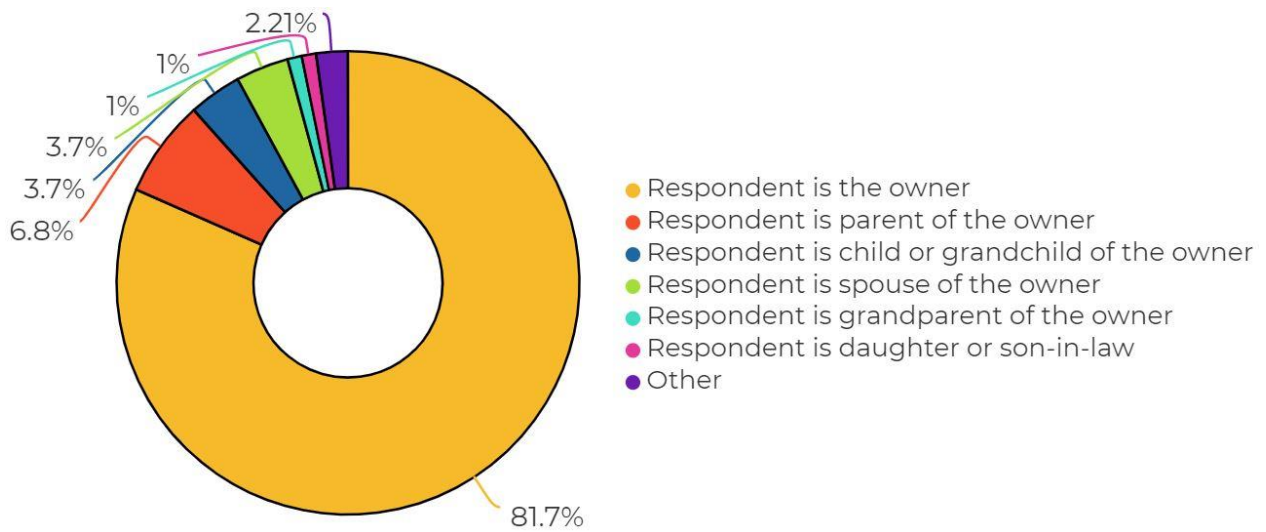


Figure 2 Respondents' Relationship with the Property Owner in Sector 3, Cacak

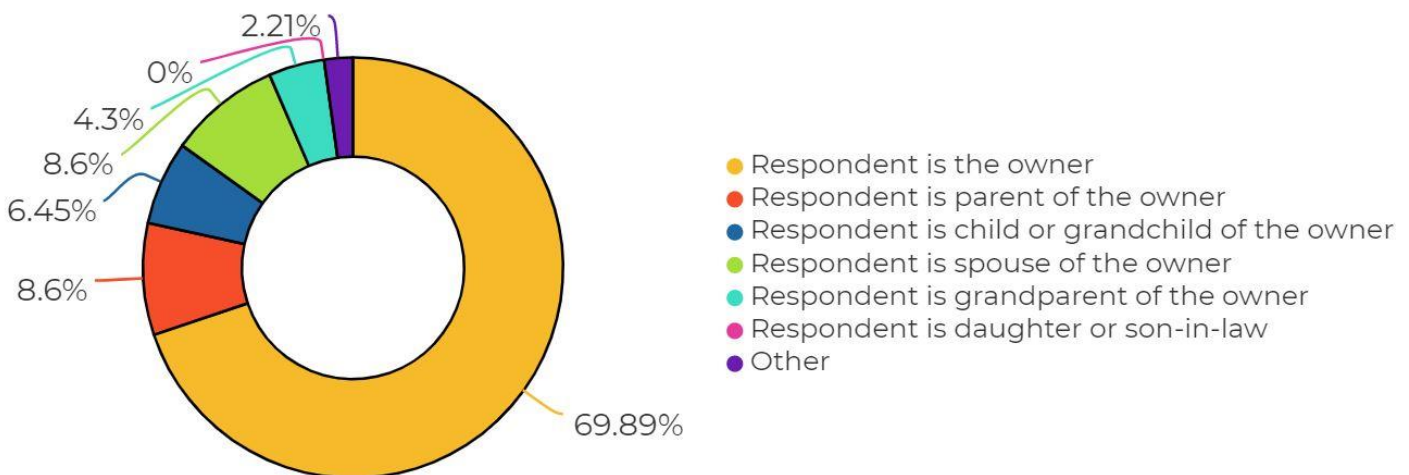


Figure 3 Respondents' Relationship with the Property Owner in Sector 3, Kraljevo

As show in the Figures 4 and 5, the majority of property owners both in case the City of Cacak and the City of Kraljevo are men (67.4% and 78.4% respectively). In case of Cacak, the share of women among the property owners is slightly higher than the average in the Republic of Serbia, particularly in rural areas. The gender structure of the surveyed property owners in Kraljevo is closer to the national traditional ownership structure, with noticeable gender inequalities.



Figure 4 Gender Distribution of the Property Owners in Sector 3, Cacak



Figure 5 Gender Distribution of the Property Owners in Sector 3, Kraljevo

Around half of the surveyed property owners in both Cacak and Kraljevo are 65 years old or older. The rural settlements are still dominated by the cultural pattern where inheritance is the only succession modality and inter vivo division of assets, regardless of the owners age and working ability, which is the main reason for a low share of younger persons as owners of agricultural land.

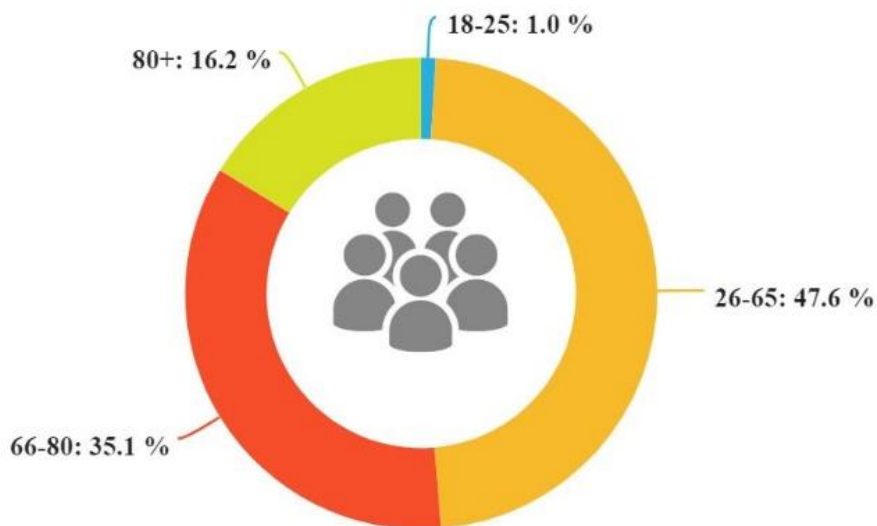


Figure 6 Age Distribution of the Property Owners in Cacak

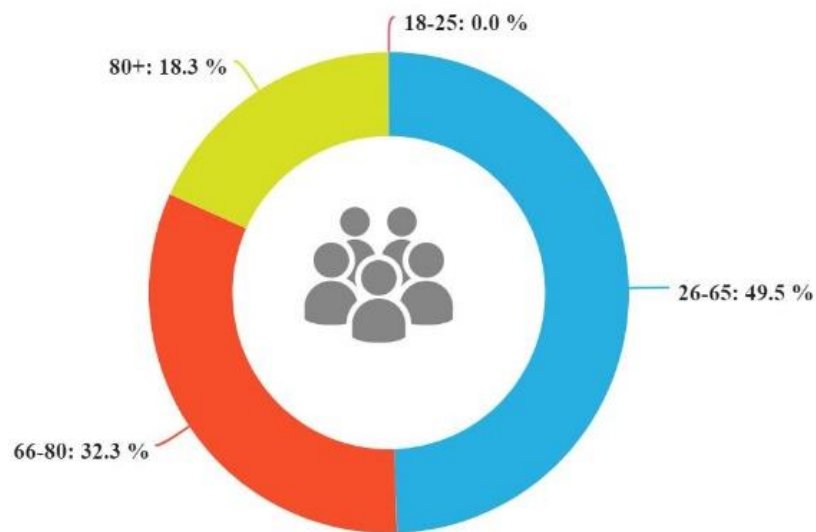


Figure 7 Age Distribution of the Property Owners in Kraljevo

Household Structure

Among the surveyed households in Kraljevo, almost half (44.1%) are large households with 5 or more members (5 to 9 members – 41.9% and 10 and more members – 2.1%). These number are slightly lower in Cacak, where around one third (38.1%) are large households with 5 or more members. Some of those households reach the number of ten or more members (4.2%). Multimember household is, as a rule, composed of three generations. Important function of those households is the care for elderly members, particularly in rural areas where is lower accessibility to health and social-care services, undermaintained local roads and irregular public transport.

In case of Cacak, one fifth (19.6%) are elderly households, i.e. households whose members are 65 years old or older. Out of those 37 elderly households, 13 are individual-member and 24 are two-members (both members are 65 years and over). Similarly, 19 of the surveyed households (10.4%) in Kraljevo are elderly households, 3 of which are individual-member and 16 are two-member households with both member older than 65 y/o.

In half of the surveyed households in Kraljevo (50.5%) there are no children younger than 18 years old. Total number of children younger than 18 in surveyed households in Kraljevo is around 90, i.e. less than one child per surveyed household, and such is the case with surveyed households in Cacak too.

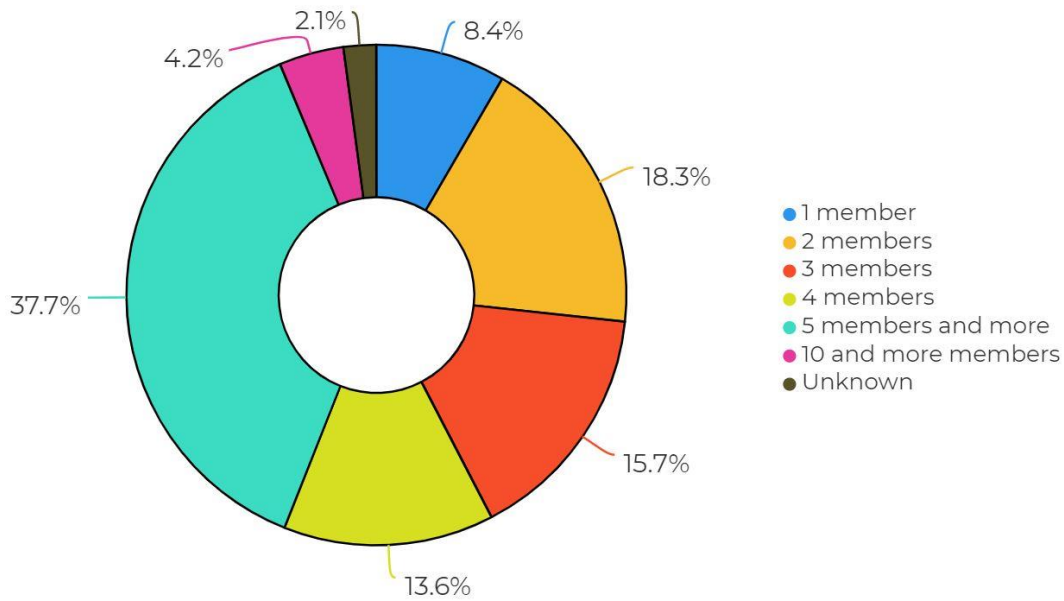


Figure 8 Surveyed Households' Size in Cacak

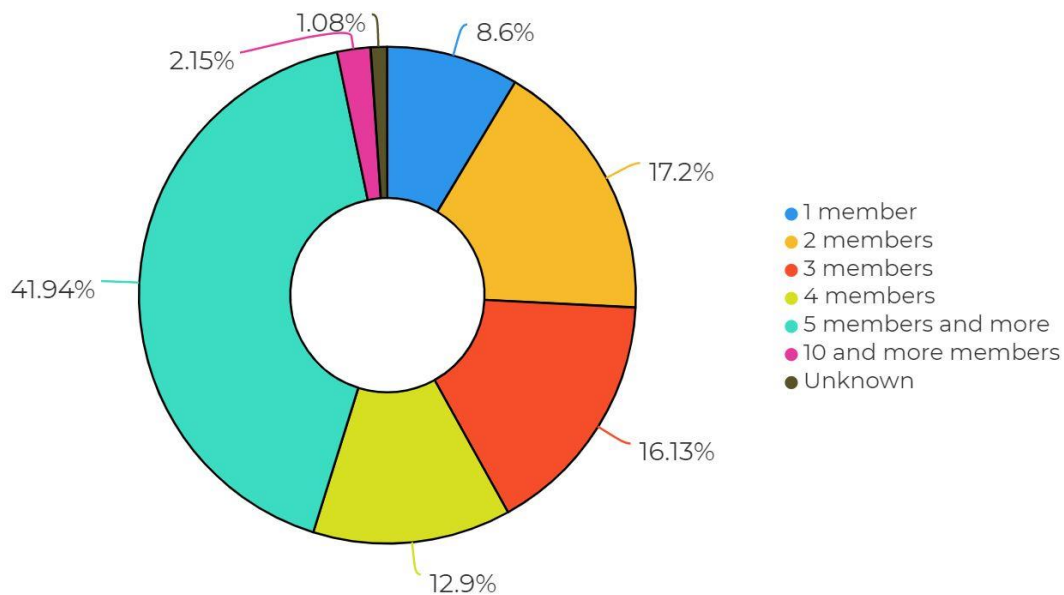


Figure 9 Surveyed Households' Size in Kraljevo

Economic Activities and Livelihood Sources

In addition to basic demographic data, information on economic status of the households (occupation, income sources, sources of expenses) were gathered from the project affected persons. This information provides the implementation authorities with a general understanding of the communities affected by the Project, and the scope of compensation and resettlement assistance necessary to mitigate adverse effects.

Half of the surveyed owners (50.5%) in Kraljevo are retired. The number of permanently employed persons is slightly over one fifth (21.5%), same as the number of unemployed (21.5%). The number of surveyed property owners who are retired is slightly higher in Cacak (60.2%). On the other hand, the number of

permanently employed persons is very low (13,8%), while the number of unemployed is over one-fifth (21,2%). The population in rural areas that is generally exposed to high unemployment rate, most commonly engages in the agriculture as a subsidiary source of income. Information on occupation of the head of household is shown in Figures 10 and 11 below.

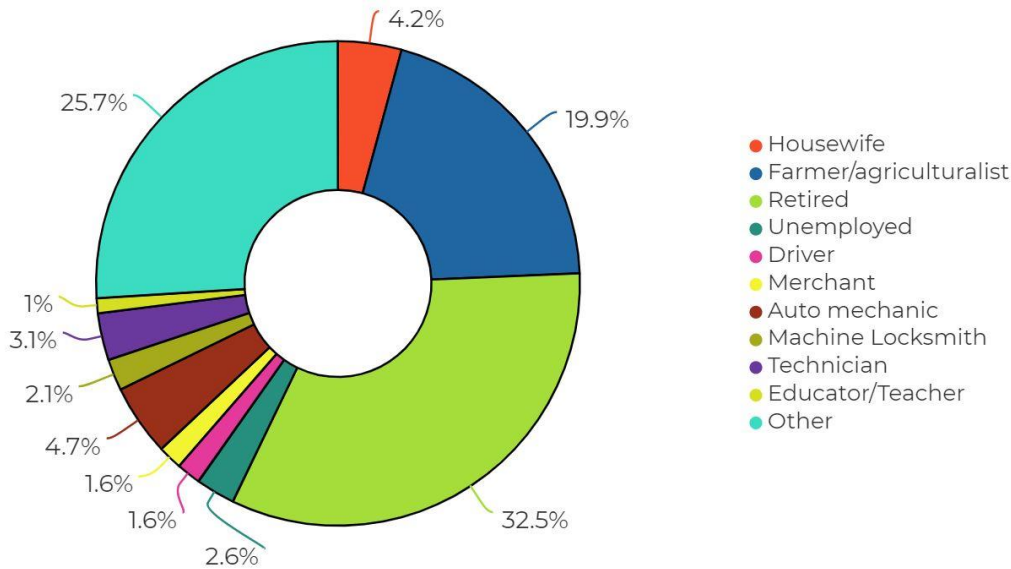


Figure 10 Occupation of the Head of the Household in Cacak

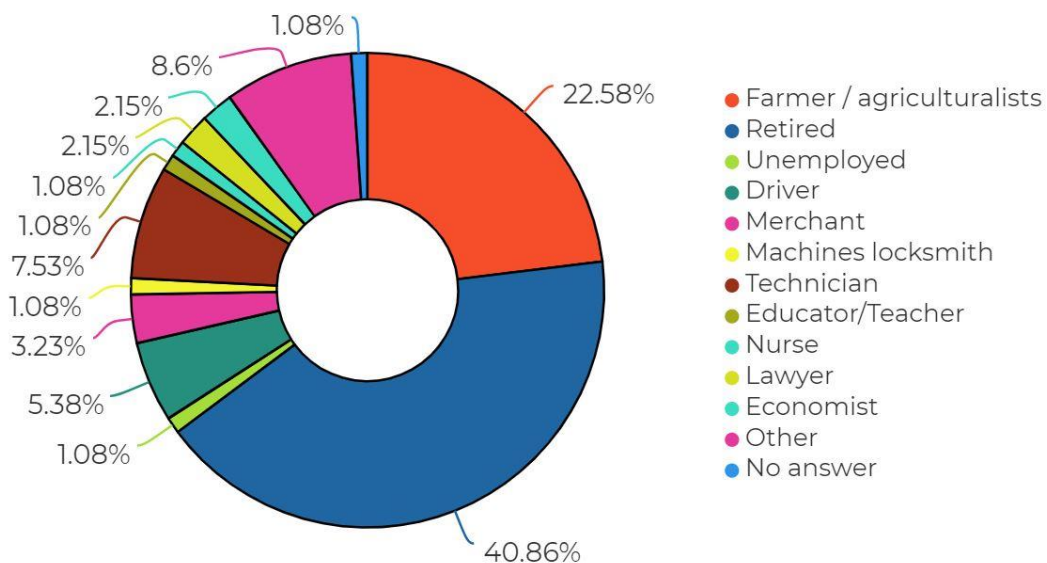


Figure 11 Occupation of the Head of the Household in Kraljevo

Data on income source includes information on all household members that have income. It should be noted that, one household can have multiple incomes from the same source (e.g. from salaries). However, when the household’s sole income is agriculture, it is considered as one income, regardless of the fact how many household members engage in agricultural activities. In case of Kraljevo, there are 353 income sources in 175 surveyed households, which means there are 2 sources of income per household, on average. Most frequent income sources are pensions (61.2% of households), followed by incomes out of job earnings (56.9%) and

agricultural production (55.9%). Similarly, there 1.9 sources of income in surveyed households in Cacak, 66.5% of the surveyed households have income from pensions, 47.6% of them have income from salaries, while 57.1% of the surveyed households generate some income from agriculture.

The number of households that are users of some form of social assistance is relatively small in both Cacak and Kraljevo (2.6% and 4.3% and respectively). Only 2 among surveyed households in Cacak confirmed they generate income from property leasing. This number is slightly higher in Kraljevo (5.8% of surveyed households), which is an indicator of general interest for engagement in agricultural activities in the area. Although Ecosystem Services Assessment prepared by RINA Consulting indicates PAPs’ potential reliance on ecosystem services (e.g. beekeeping, fishing, hunting), there were no households identified in the survey that rely on them for subsistence or as a source of income.

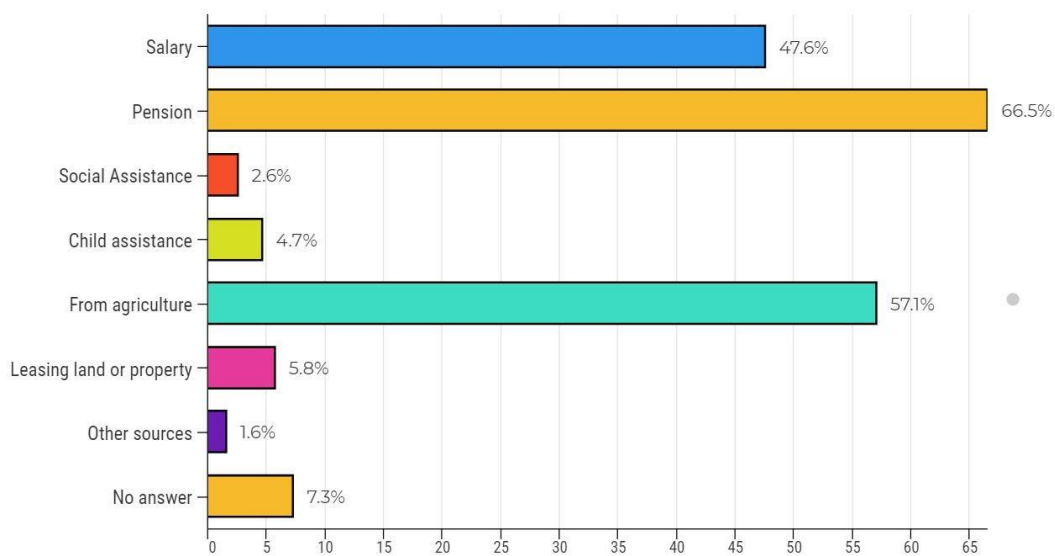


Figure 12 Source of Income in the Households in Cacak

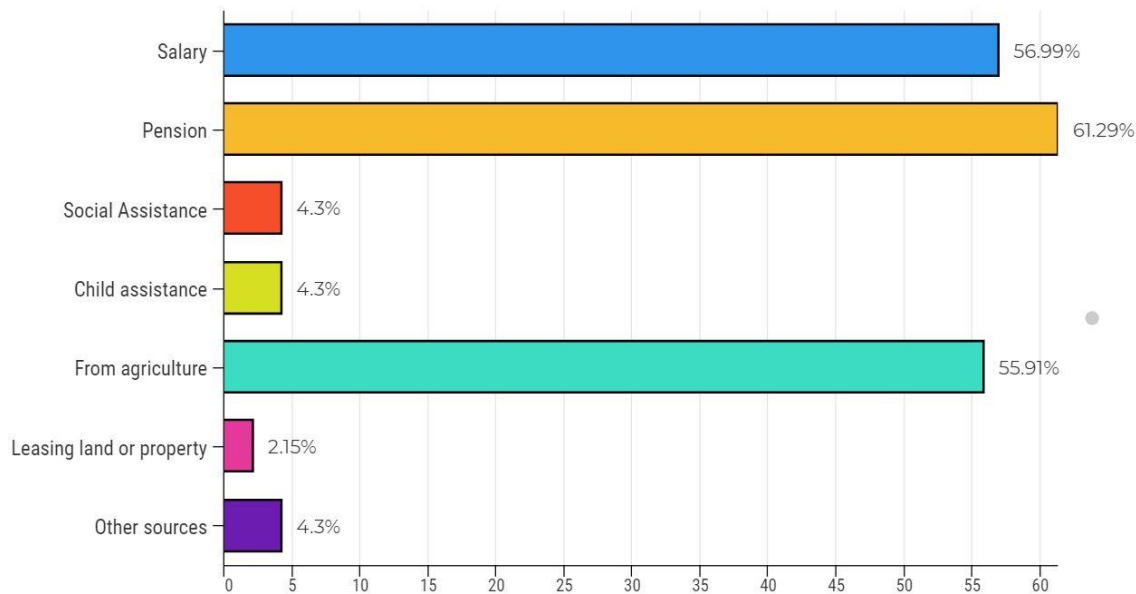


Figure 13 Source of Income in the Households in Kraljevo

As it was previously mentioned, 57.1% of surveyed households in Cacak and 55.9% in Kraljevo engage in agriculture as a source of income. However, over one-third of the surveyed owners in Kraljevo (33.6%) does not permanently live in the same cadastre municipality where the expropriated land is located, which indicates that that, most likely, the expropriated land was not used as a source of income in those cases. On the other hand, this number is relatively low in Cacak (12.7%), indicating that the majority of households are settled very close to the expropriated land, and were able to cultivate it regularly, if the household engaged in agriculture. Considering the fact that 22.6% of the respondents in case of Kraljevo and 19.9% in Cacak declared themselves as farmers, it can be assumed that the majority of households who generate income from agriculture, do not use it as primary source of income. The majority of PAPs in Kraljevo (75.3%) answered that they will continue to engage in agriculture, either as a source of income or for personal use. This number is similar in case of Cacak (71.2%). 24.7% of PAPs in case of Kraljevo and 25.9% in case of Cacak will not continue or already don't engage in agriculture, the main reason for this being old age.

Self-assessment of the economic status of the households shows that over two-third of surveyed households in Kraljevo (68.8%) assessed their economic status as being average, and 2.2% as above average. Only 2.2% of the surveyed households assess their economic position as poor. Similar situation is in Cacak, where 67.5% described their economic situation as average, 3.1% as above average and 1.6% as poor.

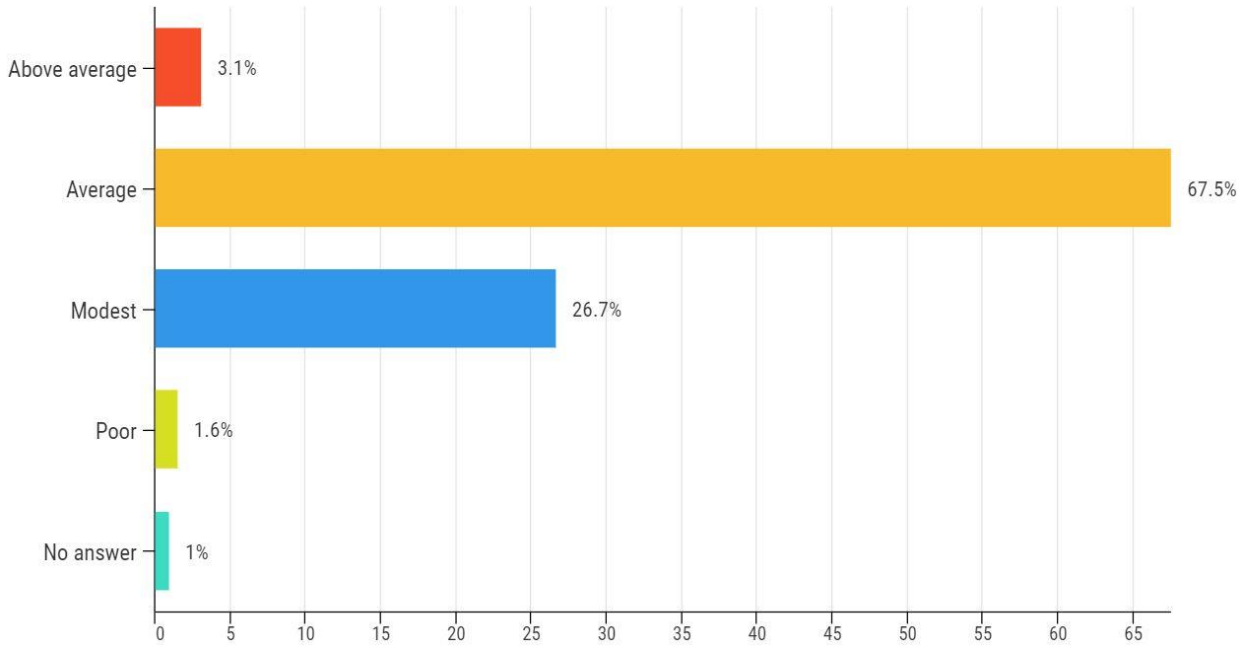


Figure 14 Assessment of Economic Status of the Household in Cacak

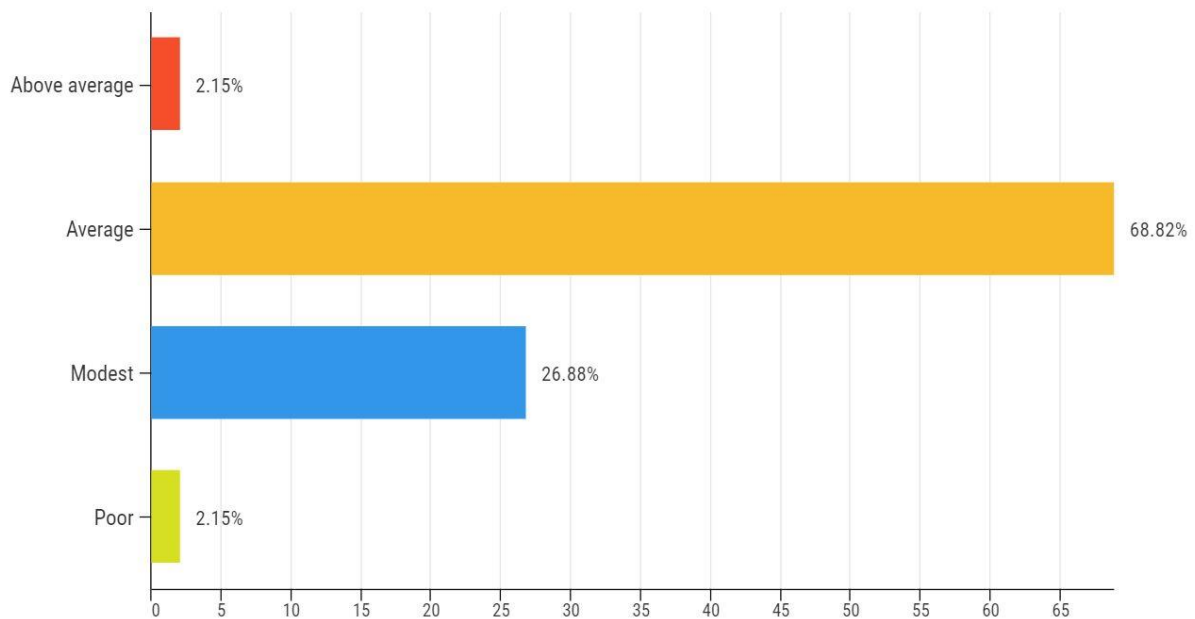


Figure 15 Assessment of Economic Status of the Household in Kraljevo

The answers regarding income amounts should be taken with approximations in all surveys. Over one-fifth of the respondents in Cacak (21.7%) and one-quarter in Kraljevo (25.9%) answered that their household doesn't have any income at all. This can be interpreted that some households do not consider income generated by agriculture and other environmental services as income and are not in the position to evaluate that income source. In addition, 30.1% of the surveyed households in Kraljevo and 29.8% in Cacak declared that their total monthly income does not exceed RSD 50,000 (approximate 400 EUR). These answers are contradicted with the statistics that in average each household two income sources, and that households self-assess their economic situation as relatively well.

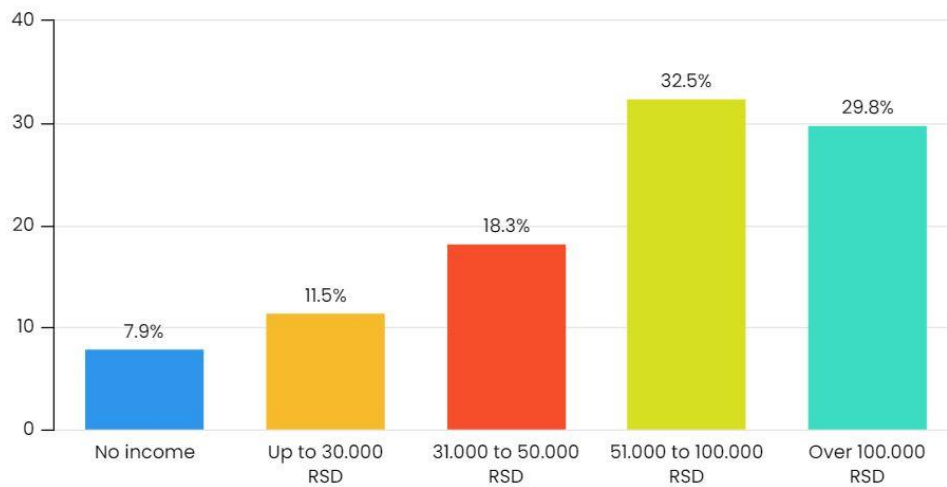


Figure 16 Total Monthly Income of the Households in Cacak

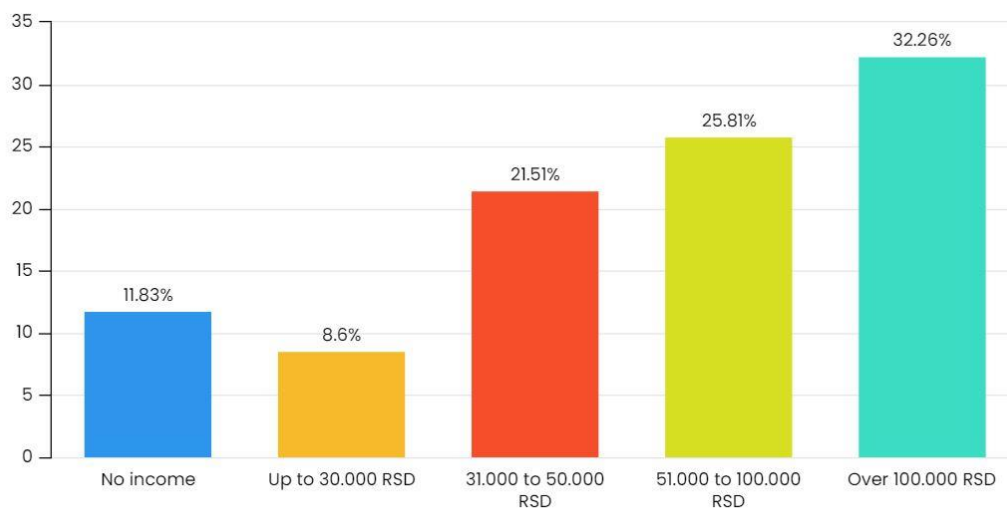


Figure 17 Total Monthly Income of the Households in Kraljevo

The analysis of responses regarding main monthly expenditures shows that the household expenditure structure in both Cacak and Kraljevo is similar to the other parts of the Republic of Serbia. The primary and largest expenditure source is communal and utility bills (electricity, heating, taxes etc.), followed by food expenses. There are also expenses for medical treatments and medicines, which are typically most prevalent in older households. This corresponds to the World Bank’s conclusions that the population in the Republic of Serbia have out of pocket expenditures in the amount of 40% of that covered by the Health Insurance Fund, on average. A rising trend of investments in agriculture is noticed in both Cacak and Kraljevo, where 28.6% and 16.8% of the respondents respectively named as agriculture as one of main monthly expenditures. 28.4% of the

respondents from Cacak and 35.5% have a loan. The loan repayment period is usually between one and five years.

29.8% of the surveyed households in Cacak confirmed they were faced with an economic challenge during the last five years, while this number is higher in Kraljevo – 50.5%. As the most common sources, the respondents named floods, illness and death of a family member.

According to the responses on intended spending patterns of the received compensation, most of the respondents from Cacak answered they intend to buy new land (29.3%), use it for everyday expenses (23.0%) or for savings (19.4%). According to the answers from the respondents from Kraljevo, tendency for buying new land from the money received as compensation among them is even higher – 43.0%. 36.5% of PAPs from Kraljevo will use the money for everyday expenses and 20.4% for improving households' conditions.

5.4 Affected Land

As it was previously mentioned, the affected land parcels on Sector 3 of the Project belong to 24 cadastral municipalities located within the administrative areas of City of Cacak (16 cadastral municipalities) and City of Kraljevo (8 cadastral municipalities).

80.7% of the respondents from Kraljevo and 43.5% of the respondents from Cacak confirmed that the affected parcels are in the family for generations and part of the household's estate for over half a century. The expropriated land was purchased within the last ten years in only 5.7% of the surveyed households in Cacak and 2.2% of the surveyed households in Kraljevo.

In both Kraljevo and Cacak, total area of the parcels that are subject to expropriation is distributed more or less equally to parcels of an area between 10 and 30 ares (15.1% and 15.7%), those between 31 and 50 ares (23.7% and 22.0%) and those between 51 and 100 ares (22.6% and 24.6% respectively). In cases of both Cacak and Kraljevo, the most represented are those parcels of an area larger than 100 ares: 25% of the affected parcels in case of Kraljevo and 33.0% in case of Cacak. However, the area of the parcels that is affected by expropriation is in most cases less than 30 ares: 47.2% of surveyed parcels in Kraljevo and 37.5% in Cacak.

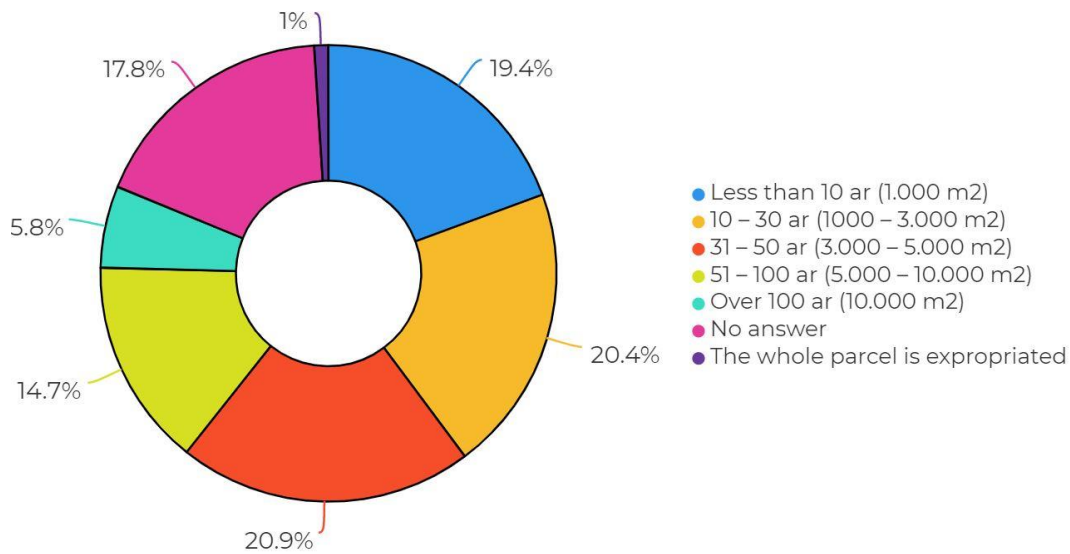


Figure 18 Area of Parcels Affected by Expropriation in Cacak

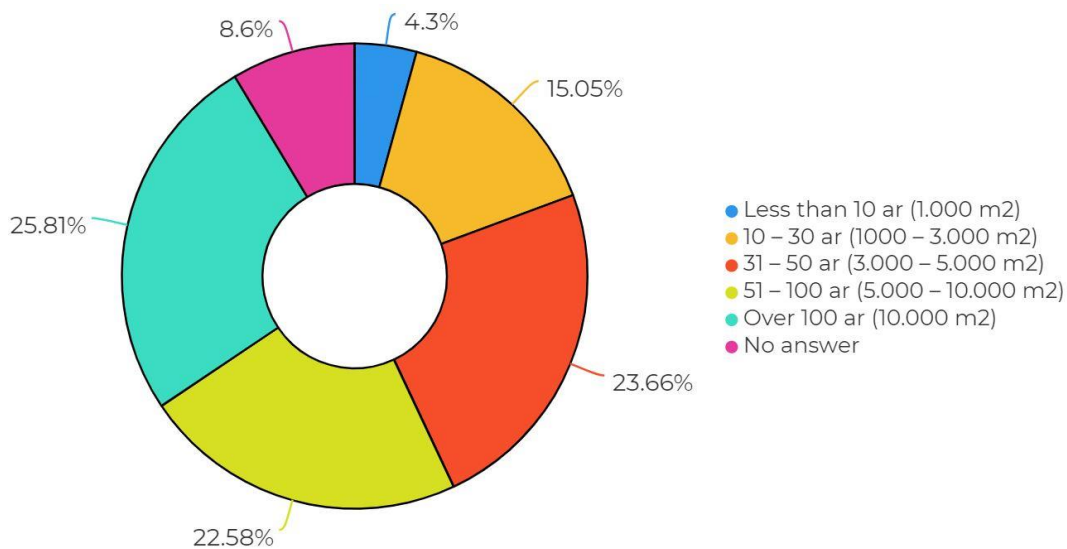


Figure 19 Area of Parcels Affected by Expropriation in Kraljevo

In case of Kraljevo, 29.0% of the surveyed PAPs whose land was partially expropriated consider the remaining part of their land economically unviable. 76.9% of them have already submitted or plan to submit the request for the acquisition of unviable remaining part of the parcel. None of the cases have been resolved up to now. This number is slightly higher in Cacak, where 40.8% of the surveyed PAPs do not consider that the remaining part of their land is economically viable. 84.6% of those PAPs have already submitted or plan to submit the request for the acquisition of unviable remaining part of the parcel. In 8 cases (12.1%) the request was denied, while in the remaining ones, the resolution is still pending. The PAPs were generally well informed on the opportunity to submit these requests.

Based on the survey the land use pattern registers the prevalent category of land in Kraljevo is cultivated agricultural land (75.3%) while a significantly lower share take agricultural but non cultivated land (6.5%), forest (6.5%) and construction

land (1.1%). As for the City of Cacak, the share of cultivated agricultural land among the expropriated parcels is 76.8%, agricultural but non cultivated land is represented by 9.5%, forest by 5.3% and construction land 5.8%. The remaining surveyed PAPs in did not know or did not want to give the answer.

In 57,7% cases in Kraljevo and 62.8% cases in Cacak, the expropriation also encompassed crops. Most commonly, the affected crops were annual plants (36.6% in Kraljevo and 52.4% in Cacak), followed by forest trees (16.1% in Kraljevo and 12.2% in Cacak).

The answers on the extent to which the crops were affected were given in number of trees and/or in area of the parcel under crops. The answers that indicate the area of parcel under crops mostly coincide with the total acquired area of the parcel. In both Kraljvo and Cacak, the maximum number of affected trees was around 200. However, there was only 1 such case in each of them.

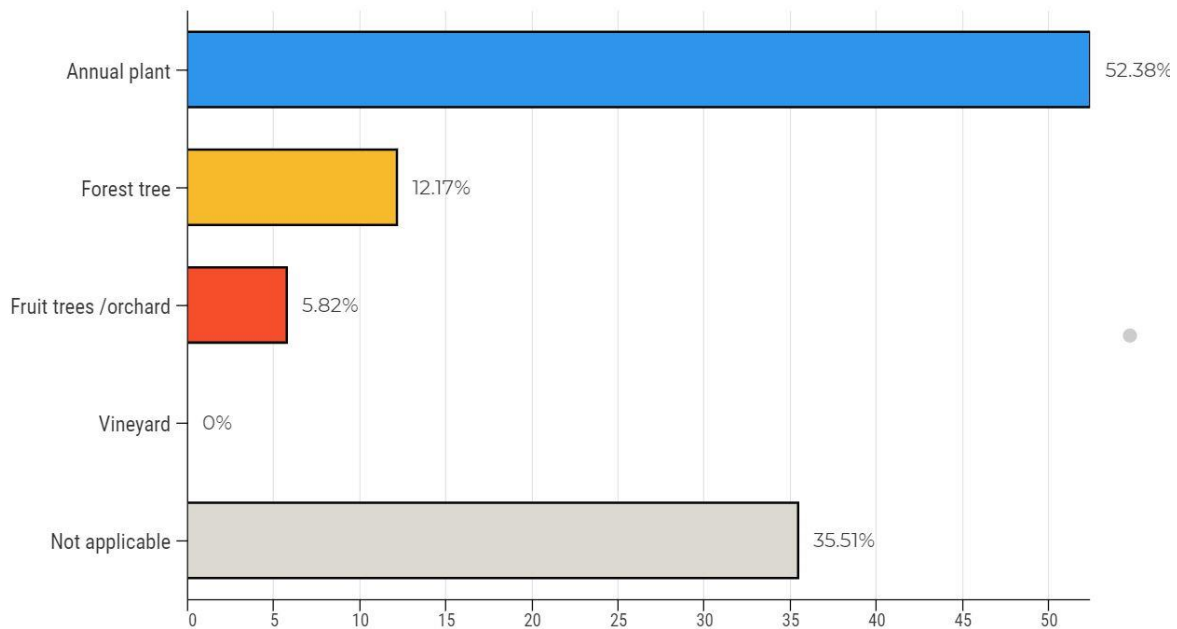


Figure 20 Type of Affected Crops in Cacak

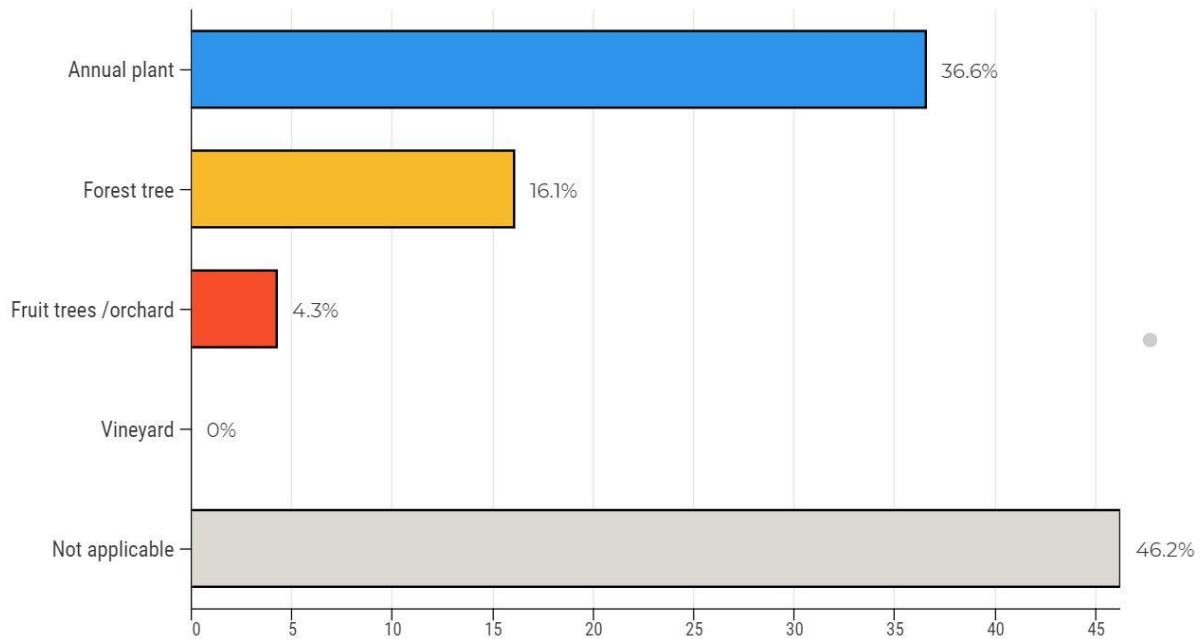


Figure 21 Type of Affected Crops in Kraljevo

5.5 Affected Structures

According to the survey results, there are 49 land parcels with structures affected on Sector 3 of the Project:

- 32 on the territory of the City of Cacak (4 in CM Baluga Ljubicka, 2 in CM Baluga Trnavska, 2 in CM Konjevici, 8 in CM Mrcajevci, 1 in CM Mrsinci, 3 in CM Preljina, 5 in CM Katrga, 1 in CM Stancici, 3 in CM Mojsinje, 1 in CM Goricani, 1 in CM Kukici, 1 in CM Zablace) and
- 17 on the territory of the City of Kraljevo (1 in CM Adrani, 5 in CM Milocaji, 3 in CM Mrsac, 7 in CM Obrva and 1 in Bapsko Polje)

Table 13 below shows the affected auxiliary structures on Sector 3 according to the survey results. The answers regarding auxiliary structures were most commonly related to water pumps and pipes, fences and wells. The table does not refer to potentially residential structures. Residential structures are included in table 14 below. During the survey, 10 structures were identified as potentially residential, i.e. structures that can be used for permanent or long-term residence, as shown in the Table 13 below. As confirmed by their owners, some of these structures are used for permanent residence and some as weekend houses or garden cottages. Table 13 also shows that there are 4 more structures whose owners refused to take part in the survey, so their use could not be confirmed. This could, however, mean that the number of residential structures on Sector 3 is higher (14).

Table 13 Affected Auxiliary Structures on Sector 3

Number of Auxiliary Structures in Cacak	Number of Auxiliary Structures in Kraljevo
30	14

Table 14 Affected Potentially Residential Structures on Sector 3 According to the Survey Results

Affected Structure		Number of Affected Parcels in Cacak	Number of Affected Parcels in Kraljevo
Potentially residential structures	Structures used as permanent residence	4	1
	Weekend houses and structures not used for permanent residence	2	3
	Total	6	4
No. of PAPs with residential structures who refused to take part in the survey ¹²		4	0

Among 4 PAPs from Kraljevo who answered that the structures affected by expropriation are potentially residential 2 PAPs confirmed that their structures were used as weekend houses and 1 confirmed the structure was used for resting during engagement in agricultural activities. There was one structure that was in fact equipped with basic facilities required for permanent residence, of an area of 100 m². This PAP, however, did not live in this structure, but in another one owned by the family, which is consistent with the information provided by the CoS.

With regards to the structures described as potentially residential on the territory of the City of Cacak, 2 PAPs answered this structure was used as weekend house, while the remaining 4 structures were used for permanent residence. Three of these structures were of an area larger than 100 m², while the remaining one was of an area between 50 and 100 m². All of these structures were equipped with basic facilities required for permanent residence. Two of these PAPs answered that they plan to use the compensation money to buy new residential structures, while the remaining two still have not decided. All four PAPs still reside in the affected structures.

¹² These PAPs, i.e. the land parcels identified by CoS as structures with residential structures

Table 15 Utility Connections in the Affected Residential Structures

Connection	Number of Structures in Cacak	Number of Structures in Kraljevo
Electricity	5	2
Hydrophore	1	1
Kitchen	4	3
Bathroom	4	3
Septic tank	3	1
Water supply	4	2
There were no connections	1	1
Total	6	4

There were a total of 2 business structures affected on Sector 3, one on the territory of the City of Cacak and one on the territory of the City of Kraljevo. Both business structures are larger than 100m² and both businesses are still operating. Both PAPs informed that they will use the compensation money to invest in businesses, one of them will continue with the same business and the other did not specify. One of the PAPs is content with the compensation received and the other one did not sign the compensation agreement and the court procedure has been initiated.

Table 16 Affected Business Structures

Type of Business	Area of Business Structure	No. of Workers that are not Family Members
Car dealer shop	>100 m ²	11-50
Manufacturing shop (doors and windows)	>100 m ²	1-5

5.6 Entitlements

Eligibility for Compensation

The following persons and entities are entitled to compensation as prescribed in this RAP:

- Persons or legal entities who are formal owners of any affected property,
- Persons or legal entities that are recognized users under the provisions of RS laws of any affected property,
- Persons or legal entities who are formal lessees of any affected property,
- Persons or legal entities that are unregistered¹³ owners and informal users¹⁴ of privately or publicly owned affected agricultural or construction land, or part of the land,
- Persons or legal entities owners of the crops that are affected by the Project (regardless of the status of land where it is planted),
- Persons or legal entities owners of the perennial plants and trees such as fruit bearing trees and vineyards, that are affected by the Project (regardless of the status of land where it is planted),
- Persons or legal entities owners of vineyards and orchards that have not given yield yet, and are affected by the Project (regardless of the status of land where it is planted),
- Persons or legal entities owners of the nursery which has not given yield yet, and are affected by the Project (regardless of the status of land where it is planted),
- Persons or legal entities owners of the structures affected by the Project (auxiliary buildings, fences, wells, irrigation systems, etc.) regardless of the status of land on which the structures are located,
- Workers, agricultural possessors and farmers on the affected property, whose incomes and livelihoods are permanently or temporarily under the impact of the Project,
- Persons who rely on ecosystem services as a source of income or as a subsidiary
- Communities or households whose access to their buildings, commonly held resources and amenities are affected by the Project,
- Persons or legal entities that are formal owners, or lessees, or legal users under the provision of RS law, or unregistered owners and informal users of land, and who are affected by the Project because of the temporary occupation of land,

¹³ Owners with recognisable legal right or claim

¹⁴ Persons who have established usage of public or private land and have immovable objects, crops, woods, trees, fruit bearing trees, vineyards etc.

- Vulnerable groups, and individuals belonging to those groups, persons below the poverty line in accordance with national laws, women-led households, single parents, elderly, disabled persons or those with long-term health problems) which are affected by the Project,
- Persons or legal entities whose losses cannot be determined or foreseen at this stage of the Project.

Entitlements Matrix

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
A – PHYSICAL DISPLACEMENT				
Loss of residential structure	Owner with formal title (including those that have a claim to land that is recognised or recognisable under national laws)	Replacement structure of equal or higher value in direct proximity or in the surroundings of the expropriated structure together with all costs of resettlement and administrative fees needed for transfer of ownership rights, if any. Or Cash compensation at replacement costs: market price of property + market price for improvements + labour and time to install improvements at market price + moving costs + registration, administrative and tax fees + transitional allowance	Cash compensation at replacement costs: market price of property + market price for improvements + labour and time to install improvements at market price	Compensate the difference between the received compensation and equivalent replacement cost to the previous owners: moving costs registration, administrative and tax fees transitional allowance
	Lessee with valid documents of the right of lease	Compensation for all improvements made to the structure. Compensation will be paid at replacement cost: market price for improvements + labour and time to install improvements at market price + costs of equipment relocation and installation, if any.	Cash compensation for all improvements on land: market price for improvements + labour and time to install improvements at market price	Compensate the difference between the received compensation and equivalent replacement cost to the lessee: costs of equipment relocation and installation
	PAPs without formal title (in possession of structure prior to cut-off date)	Compensation for all improvements on structure. Compensation will be paid at replacement cost: market price for improvements + labour and time to install improvements at market price + costs of equipment relocation and installation, if any + transitional allowance.	Cash compensation for all improvements on land: market price for improvements + labour and time to install improvements at market price	Compensate the difference between the received compensation and equivalent replacement cost to PAPs without formal title:

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
				costs of equipment relocation and installation transitional allowance
B – ECONOMIC DISPLACEMENT				
LAND				
Agricultural land regardless the severity of loss (whether partial or complete loss of property)	Owner with formal title (including those that have a claim to land that is recognised or recognisable under national laws)	Replacement land of equal or higher value and similar productivity in direct proximity or in the surroundings of the expropriated land together with all costs of resettlement and administrative fees and tax fees, needed for transfer of ownership rights, if any. Or Cash compensation at replacement costs: market price of property + market price for improvements + labour and time to install improvements at market price + moving costs + registration, administrative and tax fees.	Cash compensation at replacement costs: market price of property + market price for improvements + labour and time to install improvements at market price	Compensate the difference between the received compensation and equivalent replacement cost to the previous owners: moving costs registration, administrative and tax fees
	Lessee with valid documents of the right of lease who cultivates agricultural land pursuant to agreement	Compensation for all improvements made to the land (such as irrigation). Compensation will be paid at replacement cost: market price for improvements + labour and time to install improvements at market price + costs of equipment relocation and installation, if any. and Replacement land for lease, if land was leased from state, if possible	Cash compensation for all improvements on land: market price for improvements + labour and time to install improvements at market price	Compensate the difference between the received compensation and equivalent replacement cost to the lessee: costs of equipment relocation and installation

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
	PAPs without formal title (in possession of land prior to cut-off date)	Compensation for all improvements on land (such as irrigation). Compensation will be paid at replacement cost: market price for improvements + labour and time to install improvements at market price + costs of equipment relocation and installation, if any + transitional allowance and Replacement land for lease from state, if possible	Cash compensation for all improvements on land: market price for improvements + labour and time to install improvements at market price	Compensate the difference between the received compensation and equivalent replacement cost to PAPs without formal title: costs of equipment relocation and installation transitional allowance
Construction land regardless to severity of loss (whether partial or complete loss)	Owner with formal title (including those that have a claim to land that is recognised or recognisable under national laws), or legal users of publicly/state owned construction land	Cash compensation at replacement costs: market price of property + market price for improvements (such as infrastructure) + labour and time to install improvements at market price + moving costs + registration of ownership, administrative and tax fees, if any + transitional allowance or; At property owner demand, if legal terms are met, replacement land of equal or higher value and similar traits, in direct proximity or in the surroundings of the expropriated land + market price for improvements (such as infrastructure) + labour and time to install improvements at market price + moving costs + registration of ownership, administrative and tax fees, if any + transitional allowance	Cash compensation at replacement costs: market price of property + market price for improvements + labour and time to install improvements at market price	Compensate the difference between the received compensation and equivalent replacement cost to the previous owners: moving costs registration, administrative and tax fees transitional allowance
	Lessee with valid documents of the right of lease	Compensation at replacement cost: market price for improvements (such as infrastructure) + labour and time to install improvements at market price +	Cash compensation for all improvements on land: market price for improvements + labour	Compensate the difference between the received

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
		moving costs + registration of ownership, administrative and tax fees, if any + transitional allowance + compensation for all rent paid in advance, for the period not expired And Replacement land for lease, if land was leased from state, if possible	and time to install improvements at market price	compensation and equivalent replacement cost to the lessee: costs of equipment relocation and installation transitional allowance
	PAPs without formal title (in possession of land prior to cut-off date)	Compensation: market price for improvements (such as infrastructure) + labour and time to install improvements at market price + moving costs + registration of ownership, administrative and tax fees, if any + transitional allowance And Replacement land for lease, from state, if possible	Cash compensation for all improvements on land: market price for improvements + labour and time to install improvements at market price	Compensate the difference between the received compensation and equivalent replacement cost to PAPs without formal title: costs of equipment relocation and installation transitional allowance
Unviable land, agricultural or construction (In case the remaining area of land is not viable, it can be expropriated upon PAPs request)	Property owners, lessee or users regardless of their formal title or rights on private or publicly/state owned agricultural or construction land	Compensation according to type of property, defined the same way as above, in this section	Cash compensation according to type of property in all cases where expert valuator confirms the grounds for acquisition of unviable part of land	No additional compensation required

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
PLANTS AND STRUCTURES ON AGRICULTURAL LAND (but not physical relocation)				
Loss of annual crops, that could not have been harvested prior to land repossession	Owners of crops (it is not of importance if the owner of crops is owner of land, or lessee, or informal owner/user of land providing that they bore costs of planting crops or acquired ownership in some other, recognizable way)	Cash compensation at replacement cost: market value of expropriated crops decreased by costs of harvesting crops	Cash compensation at market value of expropriated crops decreased by cost of harvesting crops	No additional compensation required
Loss of perennial plants and trees (fruit bearing trees, vineyards and fruit bearing plants)	Owners of plants (it is not of importance if the owner of plants is owner of land, or lessee, or informal owner/user of land providing that they bore costs of planting or acquired ownership in some other, recognizable way)	The right to harvest fruits and Cash compensation at replacement cost: market price of seedlings on the basis of type, sort and productive value + the net loss for the time needed to grow such plants according to year production market value + costs of investment (labour force, soil preparation etc.) to plant a new vineyard, orchard or similar + transitional allowance	The right to harvest fruits is granted Cash compensation at replacement cost: market price of seedlings on the basis of type, sort and productive value + the net loss for the time needed to grow such plants according to year production market value + costs of investment (labour force, soil preparation etc.) to plant a new vineyard, orchard or similar	Compensate the difference between the received compensation and equivalent replacement cost: transitional allowance

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
Affected vineyards and orchards not yet fruit bearing		Cash compensation at replacement cost: market price of seedlings on the basis of type, sort and productive value + the net loss for the time needed to grow such plants according to year production market value + costs of investment (labour force, soil preparation etc.) to plant a new vineyard, orchard or similar + transitional allowance	Cash compensation at replacement cost: market price of seedlings on the basis of type, sort and productive value + the net loss for the time needed to grow such plants according to year production market value + costs of investment (labour force, soil preparation etc.) to plant a new vineyard, orchard or similar	
Wood mass (mature or nearly mature)		Cash compensation at replacement cost: market price of wood determined based on the value of the “wood on the stump” + transitional allowance	Cash compensation at replacement cost: market price of wood determined based on the value of the “wood on the stump”	
Forests without mature wood mass		Cash compensation at replacement cost: investment needed for planting a new forest (labour, seedlings) + net loss for the time needed to reproduce a replacement forest + transitional allowance	Cash compensation at replacement cost: investment needed for planting a new forest (labour, seedlings) + net loss for the time needed to reproduce a replacement forest	
Nursery not yet yielding		Cash compensation at replacement cost: investment in planting material (seedlings, labour and other reproductive material) + net loss for the time needed to grow same nursery + transitional allowance	Cash compensation at replacement cost: investment in planting material (seedlings, labour and other reproductive material) + net loss for the time needed to grow same nursery	

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
Buildings used for keeping and raising livestock (sheds, stables, etc.)	Owners of structures used for keeping livestock (it is not of importance if the owner of structures is owner of land, or lessee, or informal owner/user of land providing that they bore costs of construction or acquired ownership in some other, recognizable way)	Cash compensation at replacement costs; market price of the structure + moving costs + administrative fees needed for transfer of ownership rights, if any + transitional allowance At property owner demand, if legal terms are met, appropriate replacement property + moving costs + administrative fees needed for transfer of ownership rights, if any + transitional allowance	Cash compensation at replacement costs; market price of the structure	Compensate the difference between the received compensation and equivalent replacement cost: moving costs administrative taxes and fees transitional allowance
All immovable property on land (such as irrigation, fences, wells, etc.).	Owners of improvements (it is not of importance if the owner is an owner of land, or lessee, or informal owner/user of land providing that they bore costs of improvements)	Cash compensation at replacement costs: market price for improvements + labour and time to install improvements at market price	Cash compensation at replacement costs: market price for improvements + labour and time to install improvements at market price	No additional compensation required.
BUSINESS (but not agriculture)				
Business structures (shops, office buildings) etc.	Owners with formal title (including those that have a claim to structure that is recognized or	Cash compensation at replacement costs: Structure at market price + Costs of equipment and inventory relocation and re-installation and moving costs + administrative fees needed for transfer of ownership rights, if any + Transitional allowance	Cash compensation at replacement costs: Structure at market price	Compensate the difference between the received compensation and equivalent replacement cost:

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
	recognizable under national laws)	or; At property owner demand, if legal terms are met, replacement property of equal or higher value and similar feature, in direct proximity or in the surroundings of the expropriated building + Costs of equipment and inventory relocation and re-installation and moving costs + administrative fees needed for transfer of ownership rights, if any + Transitional allowance		costs of equipment and inventory relocation and re-installation and moving costs administrative taxes and fees transitional allowance
	Lessee with valid documents of the right of lease who uses premises according to rent agreement	Cash compensation at replacement costs: Compensation for all improvements on premises (such as reconstruction, refurbishment etc.) calculated at replacement cost (material + labour + other costs needed to make same improvements elsewhere, if any) + Costs of equipment and inventory relocation and re-installation and moving costs + administrative fees needed for transfer of ownership rights, if any + Transitional allowance And; Replacement premises for lease, if premises were leased from state, if possible	Cash compensation at replacement costs: Compensation for all improvements on premises at replacement cost (material + labour + other costs needed to make same improvements elsewhere, if any)	Compensate the difference between the received compensation and equivalent replacement cost: costs of equipment and inventory relocation and re-installation and moving costs administrative taxes and fees transitional allowance
	Owners without formal title (building constructed without building permit on one's own plot of land, or on somebody else's	Cash compensation at replacement costs: Structure at market price + Costs of equipment and inventory relocation and re-installation and moving costs + administrative fees needed for transfer of ownership rights, if any + Transitional allowance And;	Cash compensation at replacement costs: Structure at market price	Compensate the difference between the received compensation and equivalent replacement cost:

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
	land - usually state owned)	Replacement premises to be leased from state, if possible		costs of equipment and inventory relocation and re-installation and moving costs administrative taxes and fees transitional allowance
	Affected business employees	Employee salaries (in the amount equivalent to fixed number of monthly salaries in cases of permanent displacement or in the amount equivalent to monthly salaries of the duration of the temporary displacement)	Cash compensation in the fixed amount of three months' worth of salaries, as received by the employee prior to temporary or permanent economic displacement	No additional compensation required.
Loss of non-agricultural businesses	Owner of business including owners of unregistered, but legal businesses (informal businesses)	Moving costs + Transitional allowance + Any registration taxes or fees + Appropriate level of support for improving the skills if necessary, to perform restoration of income source and livelihood	No cases were identified to date.	Compensate the difference between the received compensation and equivalent replacement cost: moving costs administrative taxes or fees transitional allowance
	Affected business employees	Employee salaries (in the amount equivalent to fixed number of monthly salaries in cases of permanent displacement or in the amount equivalent to monthly salaries of the duration of the temporary displacement)	Cash compensation in the fixed amount of three months' worth of salaries, as received by the employee prior to temporary or permanent economic displacement	No additional compensation required.

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
C – OTHER RESETTLEMENT SITUATIONS				
Loss of access to usual resources, amenities, community held resources and buildings	Communities or households	Renewing public ownership or services (roads, buildings of public interest or similar). Restoring access to conveniences or services to previous levels.	No grievances have been received to date	compensation to be determined on a case-by-case basis CoS to confirm access was restored to its original state
Impacts caused by temporary or partial occupancy of land and any damages to the property made during temporary occupancy	Property owner (including those that have a claim to land that is recognized or recognizable under national laws)	Market price of lease for duration of the occupancy + Replacement cost value in accordance with this matrix for affected crops, orchards, nurseries etc. + Compensation for any damages to the property evaluated at replacement cost And; The land must be returned to original condition. Improved quality of the land due to top soiling work should not be removed, except if agreed upon differently with owner.	No grievances have been received to date Cash compensation at market price of lease for duration of the occupancy + Replacement cost value in accordance with this matrix for affected crops, orchards, nurseries etc. + Compensation for any damages to the property evaluated at replacement cost	No additional compensation required
	PAPs without formal title (in possession of land prior to cut-off date)	Compensation for all improvements on land (such as irrigation). Compensation will be paid at replacement cost: market price for improvements + labour and time to install improvements at market price + costs of equipment relocation and installation, if any + transitional allowance + Replacement cost in accordance with this matrix for affected crops, orchards, nurseries etc.	No grievances have been received to date Cash compensation for all improvements for land at market price + labour and time to install improvements at	Compensate the difference between the received compensation and equivalent replacement cost: costs of equipment relocation and installation

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
		and Replacement land for lease from state, if possible.	market price + replacement cost in accordance with this matrix for affected crops, orchards, nurseries, etc.	transitional allowance
Impact on vulnerable groups	Vulnerable persons, belonging to vulnerable groups, with social status that may lead to more adverse effect by resettlement than others or who may be limited in their ability to claim or take advantage of resettlement assistance	On top of all rights defined in this matrix, vulnerable PAPs will be provided additional assistance including legal assistance and help during physical relocation. Any additional support required for any affected vulnerable households will be determined on case-to-case basis during socio-economic survey. These PAPs are given priority of employment on the project if that is possible.	No additional support has been provided to date	mitigation measures to be determined on a case-by-case basis
Undetermined impact (including ecosystem services)	Any person affected by impact	Any undetermined impact will be mitigated in accordance with principles and aims of this RAP	N/A	

Determining the Amount of Additional Assistance

The following methodology will be used for determining the amount of additional assistance:

- For transitional allowance: one-off cash compensation in the fixed amount of three months' worth of minimum salaries at national level calculated in the month when the payment is made, to be provided per household.
- For moving costs: one-off cash compensation to be provided per evidence-based actual costs for equipment and labour used during moving.
- For costs of equipment relocation and installation: one-off cash compensation to be provided per evidence-based actual costs for equipment and labour used during equipment relocation and installation.
- For costs of registration, administrative and tax fees: one-off cash compensation to be provided per evidence-based actual costs.

6 Resettlement and Compensation

6.1 Methods for Valuation of Affected Assets

Upon the legal validity of the decision on expropriation, the owners of the expropriated properties have been given written offers on the compensation amount for the land, plants and structures and the owners either agreed with the offered compensation and signed the compensation agreements, or they rejected the offers and initiated court procedures.

As per the legislation of the Republic of Serbia, the price of land is determined by the tax authority. The municipal tax administration provides estimates of market value of land subject to expropriation, based on the price of land recorded within the private transactions of ownership, in the municipality or in the area closest to the parcels which are subject to expropriation.

Compensation for affected structures is based on individual valuations conducted by certified valuation experts to determine the market value of the property, i.e. the amount needed to re-establish the same structure within the area.

The compensation rate for crops/plants was determined in accordance with the Expropriation Law by an accredited expert from the Institute for Expert Analysis of Belgrade, who considered the value of crops and time required to reproduce them, fruit bearing trees and the value of the harvest, including the value of time needed to reproduce such a harvest, the replacement cost (e.g. input, labour) to re-establish vineyards and orchards until they reach full yielding potential etc.

6.2 Economic Resettlement

The following groups were identified during the survey as those who are affected by economic resettlements due to the Project:

A. PAPs with Land-based Livelihoods

As it was previously mentioned, 57.1% of surveyed households in Cacak and 55.9% in Kraljevo engage in agriculture as a source of income. However, as 75.3% of PAPs in Kraljevo and 71.2% of PAPs in Cacak reported that they will continue in agriculture, it can be assumed that the expropriation does not have a great impact on the land-based livelihoods. It is important to note that the share of PAPs who will not engage in agriculture in the future also includes those who do not do it at present, due to old age (around half of the surveyed property owners in both Cacak and Kraljevo are 65 y/o and older). Only 22.6% of the respondents in case of Kraljevo and 19.9% in Cacak declared themselves as farmers, indicating that those households that generate income from agriculture, do not use it as a primary source of income.

There were no households identified in the survey that rely on ecosystem services for subsistence or as a source of income.

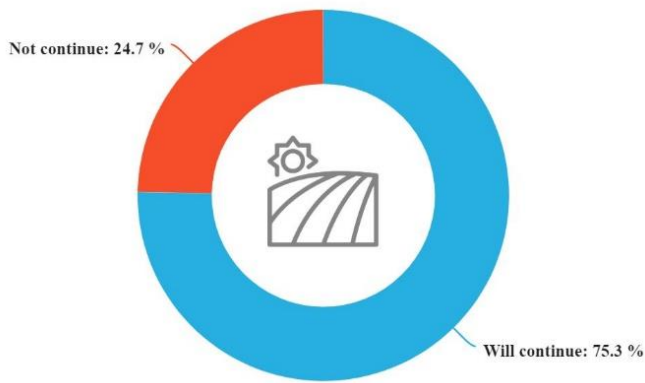


Figure 22 PAPs Who Will Continue to Engage in Agriculture in Kraljevo

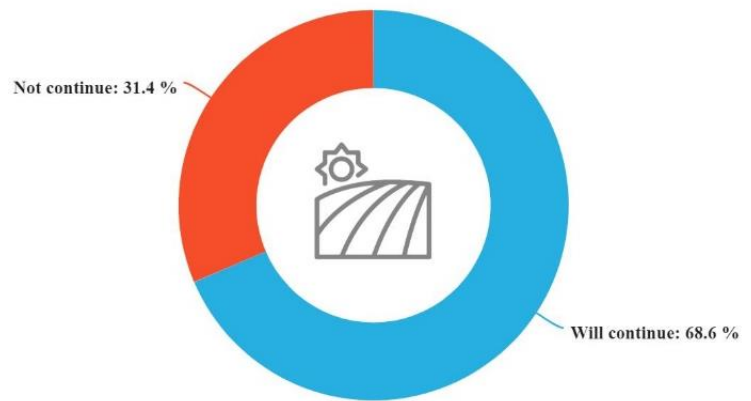


Figure 23 PAPs Who Will Continue to Engage in Agriculture in Cacak

B. PAPs who were Affected by Loss of Business Structures

In two cases, PAPs’ business structures were affected by expropriation: (1) a car dealer shop and (2) a manufacturing shop. Both structures are larger than 100 m². The car dealer shop employs between 11 and 50 people that are not owner’s family members, while in case of the manufacturing shop this number does not exceed 5 employees. Both of the business structures are still operating and both owners are planning to use the received compensation for investing in business. One of the PAPs is satisfied with the compensation, while the other did not sign the compensation agreement and the court procedure has been initiated.

6.3 Livelihood Restoration Measures

In order to build a general framework to increase opportunities for the employment of local communities, including PAPs whose land-based livelihoods are impacted by the Project and vulnerable persons and groups, the actions in Table 17 below have been identified. These actions will be available to all PAPs that rely on ecosystem services (beekeeping, fishing, hunting) for subsistence or as a source of income, although there were no such households identified in the survey.

In addition to ensuring benefits for recruitment on the Project and enabling the development of new skills, these measures will strengthen the capacity of PAPs to make the best use of existing programs to start or improve their agricultural business.

Table 17 Livelihood Restoration Measures

Activity	Responsibility
Development of Local Employment Plan in order to foster the employment of local workforce	Contractor

Activity	Responsibility
Job Assistance	
<ul style="list-style-type: none"> provision of information on opportunities for employment on the Project (advance advertising of jobs in the settlements, working with local authorities, and proactive involvement with project-affected communities whenever a construction site is being established and an employment opportunity arises) 	Contractor
<ul style="list-style-type: none"> provision of skill trainings and provision of information on the existing programs that offer skill trainings (e.g. National Employment Service, Divac Foundation) in order to increase capacity to qualify for job openings on the Project / in general 	CoS with support of other relevant entities (e.g. National Employment Service)
<ul style="list-style-type: none"> informative consultations on available grant programs and other types of assistance for agriculture or other business branches (IPARD, Beginner Support for Starting the Business Up) and provision on assistance in applying for them 	CoS with support of other relevant entities (e.g. Ministry of Agriculture, Forestry and Water Management)

6.4 Cash Compensation

There were no cases where replacement land was provided as a form of compensation for the expropriated parcel. As confirmed by Corridors of Serbia, no PAPs requested replacement land as the preferred form of compensation. Available information indicates that cash compensation provided for land was undertaken largely in a timely and appropriate manner, through their bank accounts. However, in some cases, resolution of compensation agreements was delayed due to unresolved property ownership (unknown owner, transfer of property following the death of the owner not finalised among the heirs, etc.) or inability to reach the owner(s). Payments in cases of ongoing court procedures will be made once the court decision is final as dictated by the national law.

According to the respondents' answers, the prices for land varied depending on the cadastral municipality the affected land belongs to. Table 18 below shows the smallest and largest prices for land per m² in the City of Cacak and City of Kraljevo. It should be noted that only the answers where the respondents gave price per are or m² are taken into consideration here (a number of PAPs gave total amounts received, that often includes crops, structures, etc.).

Table 18 Prices for Land in the Affected Municipalities

Municipality / City	Price per m2
City of Cacak	Between RSD 120 (approx. 1.02) and RSD 300 (approx. 2.54 EUR)

Municipality / City	Price per m2
City of Kraljevo	Between RSD 120 (approx. 1.02) and RSD 200 (approx. 1.69 EUR)

In 68.0% cases in Kraljevo and 73.9% in Cacak, the surveyed owners confirmed that they have received cash compensation for the affected crops. Those who have not yet received compensation are either waiting for the expert valuator's assessments or have not accepted expropriation agreement as they were not content with the compensation amount offered. It should be noted that 100% of PAPs in Kraljevo and 84.8% of PAPs in Cacak confirmed they were able to harvest the crops. As there were no cases where PAPs claimed that they were not able to harvest the crops prior to contractor's entering the parcel, it is most probable that the remaining 15.2% in Cacak still cultivate the parcels.

When it comes to auxiliary structures, a total of 44 respondents reported that they had auxiliary structures attached to the affected land plots (30 in Cacak and 14 in Kraljevo). In most cases, PAPs are either waiting for the expert valuator's assessments or have not accepted expropriation agreement as they were not content with the compensation amount offered (75%), while 25% of PAPs already received compensation. Structures that the owners reported as residential in Cacak were compensated in all cases but one, where the owner has not signed the compensation agreement. Among those PAPs whose business structures were expropriated, one received compensation, while the second one was not satisfied with the offer amount and initiated court procedure.

However, it should be noted that the surveying team was on site in the same period when meetings for signing the expropriation agreements were organized, so for some of the survey participants, the expropriation has not been initiated at the time of the interview.

48.7% of PAPs in Cacak are satisfied with the received compensation, while another 25.0% of them did not want to comment on this question. These numbers are slightly lower in Kraljevo, where 33.0% of PAPs are satisfied with the received compensation and 21.0% did not give an answer to this question. The PAPs who were not content with the compensation offered, most commonly thought that the valuation was too low, because they were comparing the prices to the other municipalities alongside the corridor that received higher compensation (often due to different land use, e.g. agricultural and construction land). Those PAPs who have declared satisfaction with the process and compensation rates state that the compensation offered matches those of replacement value, that replacement can be acquired at the market and that the compensation prices for land received is higher than those achieved in a willing buyer willing seller transaction.

7 Consultation and Disclosure

7.1 Consultations that Preceded RAP Preparation

Consultations during Adoption of the Spatial Plan

The construction of the Morava Corridor has been determined by the Spatial Plan of Special Purpose of the Infrastructure Corridor of the E761 Motorway – Decree on Determining the Spatial Plan of Special Purpose of the Infrastructure Corridor of the E761 Motorway ("Official Gazette of RS", No. 10 dated 6.2.2020). In line with national legislation, the draft Spatial Plan was disclosed for 30 days from July 18th to August 16th of 2019. The Disclosure was held in the city halls of Kraljevo, Krusevac and Cacak, and the municipalities of Varvarin, Vrnjacka Banja, Trstenik and Cicevac. Additionally, the draft Spatial Plan was disclosed on the Ministry of Construction, Transport and Infrastructure website. The Commission was established to address the comments received during the disclosure period, which were then incorporated in the second draft of the Plan. Public consultations were organized on 29th November with approx. 50 attendees. Most of the received comments were regarding expropriation and flood hazards and were addressed by the present experts.

RLRF and ESIA Disclosure Consultations

Consultations regarding Resettlement and Livelihood Restoration Framework (RLRF) were organized in accordance with the following schedule:

- 19th February 2020, 10h in the premises of the City of Kraljevo
- 20th February 2020, 10h in the premises of the City of Cacak

Prior to the consultations, RLRF was publicly available on the City of Cacak and City of Kraljevo websites and in their premises, as well as on Corridors of Serbia website.

Remarks and opinions regarding the Framework could be submitted in writing and delivered to the address: Corridors of Serbia, Kralja Petra 21 Street, Belgrade. Comments could also be submitted by e-mail to the address: office@koridorisrbije.rs

In line with Stakeholder Engagement Plan prepared for the Project, Environmental and Social Impact Assessment (ESIA) disclosure meetings were organized in accordance with the following schedule:

- 29th September 2020 in the City of Kraljevo
- 30th September 2020 in the City of Caacak

Individual Meetings during Socio-economic Survey

As part of the preparation of this plan, a socio-economic survey was conducted with 284 participants. The socio-economic survey was conducted through individual interviews in order to collect information on demographic and socio-economic structure of the respondents, as well as information on the affected land and assets, as presented in Chapter 5.

During the interviews, the respondents were asked about sources they received information on regarding the expropriation process from. 94.0% of PAPs in Kraljevo and 89.0% in Cacak were informed through official sources (Official letter from the Municipality, on public consultation), while fewer people have learned about it from neighbours or through the media. Additionally, a small number of surveyed PAPs (3.0% in Kraljevo and 5.8% in Cacak) stated they were not informed of the expropriation process at all. Most of them confirmed that property-legal relations have not been resolved and the registered owners of the parcels are still their deceased relatives. 76.3% of PAPs in Kraljevo and 67.0% of PAPs in Cacak stated that they were completely or partially satisfied with the distribution of information. There were 10.0% of the respondents in Kraljevo and 22.5% in Cacak who declared their complete dissatisfaction with the process, mostly because they were first informed about the process through unofficial sources or are completely uninformed. However, it should be once again noted that the surveying team was on site in the same period when meetings for signing the expropriation agreements were organized, so for some of the survey participants, the expropriation has not been initiated at the time of the interview.

51.6% of the surveyed PAPs in Kraljevo and 64.4% of them in Cacak said they did not know where to address their grievances. However, it is likely that a number of PAPs did not understand the question or were not interested in getting informed on this subject as they were satisfied with the process. The responses, however, indicate that more attention should be paid to informing PAPs about forms of cooperation with official institutions responsible engaged on the Project and the grievance mechanism designed for the Project (see measures for communicating about the grievance mechanism outlined in sections 7.2 and 8 below).

7.2 Disclosure

The RAP was disclosed for the period of three weeks, from 15 April to 6 May. Due to situation with Covid-19, in vivo public consultations could not be organized, and virtual public consultations were organized instead. The draft RAP in Serbian and English was made publicly available at the Corridors of Serbia website, as well as on the websites of City of Cacak and City of Kraljevo, while hard copies of the document were available in their premisses.

In addition to this, video presentation of the RAP was available on the websites of Corridors of Serbia, City of Kraljevo and City of Cacak. The video presentation contained general information on the Project, description of process that preceded the adoption of RAP, as well as summary of RAP conclusions, additional assistances and entitlements.

Posting comments and questions on the RAP, as well on the video presentation, was possible through CoS designated channels of communication:

- To the address Kralja Petra 21, 11 000 Belgrade
- Via email office@koridorisrbije.rs

Furthermore, the public could direct their questions to representatives of City of Cacak (+381 032 309 099) and City of Kraljevo (+381 036 306 000). However, no comments were received.

During the disclosure period, announcements of the RAP availability were published in local newspapers “Ibarske novosti” in City of Kraljevo and “Cacanski glas” in City of Cacak. Additionally, the announcement was broadcasted on the local radio stations “Dzenarika” in City of Cacak and “Sljivovica” in City of Kraljevo, four times per day throughout the disclosure period. The announcements were broadcasted immediately before or after the news. Leaflets and posters were disseminated to the affected communities on 15 April. They contained a short summary of the RAP, where the document can be accessed, channels for submitting comments and information on the grievance mechanism. Dissemination of leaflets and posters was concentrated on local community centres and main gathering places (shops, bus stops, health centres).

All announcements of public consultations contained a statement on the purpose of the RAP, to clarify its objectives and provisions and the fact that it does not affect previous acceptance or rejection of compensation agreements and already received compensation.

8 Grievance Redress Mechanism

Stakeholder Engagement Plan (SEP) was prepared by 2U1K Engineering and Consultancy Inc. on behalf of Corridors of Serbia in January 2019. The Plan contains Grievance Redress Mechanism, whose purpose is to serve as both Project level information centre and grievance mechanism, available to those affected by implementation of the Project, throughout the Project Cycle.

Stakeholder Engagement Plan envisages the following channels for submitting grievances:

- By post to the address Kralja Petra 21, 11 000 Belgrade
- Via e-mail to office@koridorisrbije.rs
- By calling +381 11 33 44 174
- In person in municipalities and on the construction sites

All incoming grievances are assigned individual reference numbers and registered in the Grievance Log. Additionally, the Grievance Log contains the following information:

- Data of grievance receipt
- Grievance holder's name (if available)
- Grievance holder's contact details (if available)
- Grievance subject
- Dates of grievance investigation initiation and completion
- Investigation results and proposed corrective actions
- Confirmation of the grievance holder's satisfaction with the corrective action
- Date of grievance close-out

This information allows tracking of the grievance status, as well as analysis of frequency of grievance receipts, typical sources and causes of complaints, as well as identification of and any recurrent trends. As reported by the CoS, seven grievances have been registered up to now and can be classified into the following categories:

- Access-related issues due to land acquisition: 2 grievances;
- Acquisition of unviable part of parcel: 2 grievances;
- Damage to property: 1 grievance;
- Grievances with regards to expertise of valuers: 1 grievance;
- Payment delay: 1 grievance.

All grievances are currently in the grievance investigation phase. In addition to these, there are 170 ongoing court cases initiated by PAPs who did not sign expropriation agreements.

If the grievance holder is not content with the proposed corrective actions, further negotiations are required until the matter of the complaint is resolved, and the case is closed. If necessary, the grievance is escalated to higher levels to be defined in the course of the Project's procedures setting.

The overall responsibility for resolution of grievances lies with Community Relations and Sustainability Department and Human Resources Specialist of Bechtel Corporation–ENKA İnşaat ve Sanayi A.Ş and Corridors of Serbia, whereby resolution of land acquisition-related grievances are considered the primarily the responsibility of Corridors of Serbia.

Stakeholder Engagement Plan identifies activities to be implemented in order to inform the public on the grievance mechanism, as specified in the Table 19 below.

Table 19 Planned Stakeholder Engagement for Grievance Mechanism

Phase	Activity	Targeted Stakeholders	Implementation Responsibility
Pre-construction Phase	Presentation on the grievance mechanism and the stakeholder engagement tools, Distribution of the Contact details of the Community Relations Officers, Records of the grievances	All Stakeholders	CoS Contractor
Construction Phase	Training on Grievance Procedure Grievance Resolution Process (including in response to security, construction or contractor issues) Provide training on the Contractor's policies (employees and contractors) on respectful and appropriate behaviours with communities	All affected settlements, Interested parties and Project Workers	Contractor

Sample of public grievance form is provided in the Appendix A.

9 Vulnerable People

9.1 Identification of Vulnerable People

Vulnerable groups or individuals are those who due to their personal trait (age, gender identity, disability, medical condition, religion, ethnicity, indigenous status, economic disadvantage or social status, etc.) have lower capacity to cope with the Project-related risks and impacts and/or need assistance in practicing their rights and enjoying the benefits stemming from the Project.

During the socio-economic survey, the following groups were identified in the Project area:

a) Elder Households

Around half of the surveyed property owners in both Cacak and Kraljevo are 65 y/o and older. In case of Cacak, one fifth (19.6%) are elderly households, i.e. households without the members less than 65 years old. Out of those 37 households, 13 are individual-member and 24 are two-members (both members are 65 years and over). Similarly, 19 of the surveyed households (10.4%) in Kraljevo are elderly households, 3 of which are individual-member and 16 are two-member households with both member older than 65 y/o.

b) Households with Members that Require Special Assistance

There are 4 households in Kraljevo whose members require special care (4.3%): in three of them there is one care-dependant member, while in the remaining one the number of such household members is two. The share of such households in Cacak is slightly higher, 8.9%. There is one household with two care-dependant members, while the remaining households have one such member. The reason for the required special care is either old age or illness, or both.

c) Low Income

Over one-fifth of the respondents in Cacak (21.7%) and one-quarter in Kraljevo (25.9%) answered that their household doesn't have any income at all. Another 6.5% of households in Kraljevo and 6.3% in Cacak stated that their total households' income does not exceed 30.000 RSD per month (approx. 254 EUR).

d) Women Headed Households

The socio-economic survey showed that 2.2% of the surveyed households in Kraljevo and 4.7% in Cacak are one-member households with female members. The total number of women-headed households in the Project area is considered to be higher.

The following group was not identified during the socio-economic survey, but is likely to be present in the Project area:

- Single Parent Households

9.2 Assistance Activities to Vulnerable People

Actions identified in the Table 20 below will be offered to vulnerable persons and groups. The most appropriate assistance will be determined on a case-by-basis and in agreement with PAPs. Taking into account their specific needs, vulnerable PAPs will be provided with financial assistance, administrative assistance, assistance that requires physical labour.

Table 20 Assistance to Vulnerable Groups

Vulnerable Category	Support Methodology
Elderly (aged over 65)	Travel assistance Assistance on acknowledging and signing official documents Access to legal resources with an assistance in case of a need (i.e. transportation) Assistance to access compensation payments Assistance to clear and store materials from their land.
Disabled	Travel assistance Assistance to obtain personal documents Assistance to access compensation payments Access to legal resources with an assistance in case of a need (i.e. transportation) Assistance to clear and store materials from their land.
Low income ¹⁵	Priority for job opportunity during the construction phase of the Project Access to legal resources with an assistance in case of a need (i.e. transportation) Assistance to access compensation payments Travel assistance Job assistance as defined in Chapter 6.2
Women headed households	Equal employment opportunities for women
Single parent households	Temporary livelihood assistance when required Priority for job opportunity during the construction phase of the Project Job assistance as defined in Chapter 6.2

¹⁵ According to Statistical Office of Republic of Serbia **poverty threshold** amounts to 15,600 dinars a month on an average for a single person household. For a household with two adults and one child aged below 14, the threshold is 28,080 dinars per a month, while for a four-member household with two adults and two children aged below 14, it amounts to 32,760 dinars.

10 Monitoring and Evaluation

10.1 Institutional Monitoring

Efficient expropriation and resettlement depend on dedication and capacities of all institutions responsible for preparation and implementation of the process of displacement. Corridors of Serbia have a team appointed responsible for resettlement and preparation of the expropriation and resettlement process, to coordinate the activities of expropriation between the government agencies, municipalities and ministries.

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

10.2 Monitoring of Land Acquisition Process

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

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

- Overall spending on land acquisition
 - Cash compensation;
 - Costs of providing assistance, by type of assistance;
 - Costs of evaluators and surveyors;
 - Costs of legal fees;
 - Costs of taxes and registration fees;
 - Costs of consultancy input;
 - Other costs.
- Number of employees and consultants involved in the process
 - Members of the land acquisition team;
 - Members of other departments and Sections.
- Number of public discussions and consultations scheduled and held on the RAP;
- RAP disclosure;

- Percentage of purchased land in relation to needed land acquired for the purposes of the Project, including total expropriated land area, and land area per person;
- Number of completed compensation payments;
- Number of replacement properties given, and houses provided;
- Number and amount of payment for loss of income;
- Amount and type of assistances provided to vulnerable groups; and
- Number and type of grievances, including legal actions arising from expropriation (submitted cases, resolved cases, time needed for their resolution).

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

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

Corridors of Serbia shall monitor the implementation of the land acquisition process through internal, official institutional arrangements and prepare quarterly summaries. Based on these quarterly reports, a completion report should be prepared within six months of completion of the land acquisition process to summarize the overall implementation and impacts. The report should verify that all physical inputs committed in the RAP have been delivered and all services provided. In addition, the report should evaluate whether the mitigation actions prescribed have had the desired effect. The socioeconomic status of the affected population should be measured against the baseline conditions of the population before displacement, as established through the census and socioeconomic baseline studies. Particular efforts shall be made to validate that the vulnerable groups and persons amongst the affected have been able to effectively restore their livelihoods especially if they had the option to choose the compensation package with the lowest risk.

10.3 Monitoring of Temporary Land Access for Construction Works

During construction works the Contractor may need to temporary occupy privately owned land for off-site locations. This process is going to be managed by the Contractor, and it will be their responsibility to ensure the temporary lease

of land does not negatively affect the land owners, by trying to avoid high class arable land and restoring the affected land back to original condition for future agricultural productions. Temporary land lease agreements will be prepared in line with this Plan, Resettlement and Livelihood Restoration Framework and Environmental and Social Impact Assessment.

The lease agreements will be subject to Corridors of Serbia occasional review upon request.

The Supervising Engineer will have the obligation to monthly monitor the implementation of these contracts (regular payment, restoration of land as per the lease contract once the lease has ended) and report back to Corridors of Serbia.

11 Implementation Responsibilities and Funding

11.1 Implementation Responsibilities

The first draft of RAP shall be submitted to the Lenders for review and confirmation. After it has been confirmed, it will be disclosed (versions in Serbian and English languages) by the Corridors of Serbia in the communities affected by the Project and on the internet portal of the Corridors of Serbia, and advertised in the local newspapers, followed by public consultations with local communities and stakeholders. Corridors of Serbia shall also issue a summary of information contained in the RAP, so that affected people can understand the compensation procedures and know what to expect at various stages of the project. Public consultation outcome shall be documented and reported with the final RAP document and sent to Lenders for "no objection". Upon receiving the "no objection", final RAP will be again advertised in the local newspapers and published in the community(s) affected by the Project and on the internet portals of the Corridors of Serbia and Lenders and made available throughout the Project.

Implementation of RAP is an obligation of the Corridors of Serbia. CoS shall monitor overall implementation, collaborate with the municipalities where construction works and construction related activities are taking place, collaborate with contractors and disclose information to PAPs and communities.

11.2 Arrangements for Funding and Budget

The budget for the all land acquisition funds will be provided by the Government of Republic of Serbia. All land acquisition, compensation, relocation and rehabilitation of income and livelihood, if any, consultations and grievance redress will be considered as an integral component of Project costs. As per national requirements the costs of the land acquisition are borne by the Beneficiary of Expropriation. The proceeds required for land acquisition were secured and allocated in the Business Plan of Corridors of Serbia for the years 2019, 2020 and 2021.

Appendix A

Sample Grievance Form

A1 Sample Grievance Form

Public Grievance Form (Sample)

Date	
Full Name	<p><i>You can remain anonymous if you prefer or request not to disclose your identity to the third parties without your consent.</i></p> <p><input type="checkbox"/> I request non-disclosure of my identity information</p> <p><input type="checkbox"/> I would like to submit ANONYMOUS claim</p>
Please mark how you wish to be contacted (mail, telephone, e-mail).	<p><input type="checkbox"/> By Post: Please provide mailing address</p> <p><input type="checkbox"/> By person:.....</p> <p><input type="checkbox"/> By telephone:.....</p> <p><input type="checkbox"/> By e-mail:.....</p> <p><input type="checkbox"/> Other:.....</p>
Province/Town/Settlement	
Category of the Grievance	
1. On assets/properties impacted by the project	
2. Compensation (delay, value, discrimination, lack of information)	
3. On infrastructure	
4. On decrease or complete loss of sources of income	
5. On environmental issues (like pollution, dust, noise)	
6. Damage on the properties (on croplands, structure)	
7. Request for employment	
8. On traffic, transportation and other risks	
9. On health	
10. On quality of life (security issues, cultural conflicts)	
11. On land acquisition	
12. On the productivity of agriculture/animal husbandry	
13. Other (Please specify):	

Description of the Grievance (WHAT, WHEN, WHERE, WHY, IMPACT) Please briefly explain the cause-root of the complaint	
Have you ever filed a complaint on the same issue before?	
Do you know if any other locals that are experiencing the same issue?	
Please state if you have any suggestions or options to resolve your complaint?	
Please do not fill this section of the form.	
To be filled out by the CRSD	
How was the comment received?	
<input type="checkbox"/> In person	
<input type="checkbox"/> By phone	
<input type="checkbox"/> By mail	
<input type="checkbox"/> By grievance box number: (please include the box number)	
<input type="checkbox"/> Other (please describe)	
Grievance Registration Date:	Grievance Number:
Response Required:	Signature:
<input type="checkbox"/> Yes <input type="checkbox"/> No	

Appendix B

Housing Structures and Land Market Prices

B1 Housing Structures and Land Market Prices

Information on land and structures advertised for sale was collected to confirm their availability on the market and to serve as an indicator of the market value. The Table 21 below shows the asking prices for land and structures in cities Cacak and Kraljevo, that were available at the time of preparation of this report.

Table 21 Structures' and Land Market Prices

Municipality	Asset on Sale	Asking Price (EUR/m ²)
Ljubic	Land plot	15 EUR/m ²
Ljubic	Land plot	15 EUR/m ²
Preljina	Land plot	2.3 EUR/m ²
Baluga	Land plot	1.2 EUR/m ²
Prislonica	Land plot	10 EUR/m ²
Brdjani	Orchard and forest	0.9 EUR/m ²
Atenica	Land plot	6.8 EUR/m ²
Vapa	House, 200 m ² , equipped with installations, auxiliary structures, garage, orchard with 90 trees, plot area 4000 m ²	400 EUR/m ²
Viljusa	House, 237 m ² , equipped with installations, auxiliary structure, garage, plot area 1020 m ²	304 EUR / m ²
Gojna Gora / Jancici	House 100 m ² , 25 km from Cacak, with installations, auxiliary structure	200 EUR / m ²
Atenica	House 150 m ² , 5 km from Cacak, plot 40.000 m ² , installations	600 EUR / m ²
Atenica	House, 175 m ² , plot 1,500 m ² , orchard	240 EUR / m ²

Pakovrace	House, 270 m ² , plot 2,466 m ² , infrastructure, garage	296 EUR / m ²
Mrsinci	Housing and business premise 12 km from Cacak, 548 m ² , plot 3,000 m ² , infrastructure, garage	509 EUR / m ²
Grdica	Land plot in the industrial zone of Kraljevo, 7,500m ²	70 EUR / m ²
Grdica	Land plot, 600 m ²	6.6 EUR / m ²
Konareo	Land plot 5,935 m ²	2.02 EUR / m ²
Vrdilima	Land plot, 4,000 m ²	1.5 EUR / m ²
Ratina	Land plot, 6,195 m ²	22 EUR / m ²
Meljanica	Land plot, 15 km from Kraljevo, 25,000 m ²	1 EUR / m ²
Kraljevo	Construction land, 450 m ²	43 EUR / m ²
Kraljevo	Land plot, 900 m ²	1.9 EUR / m ²

Appendix C

Maps

C1 Maps

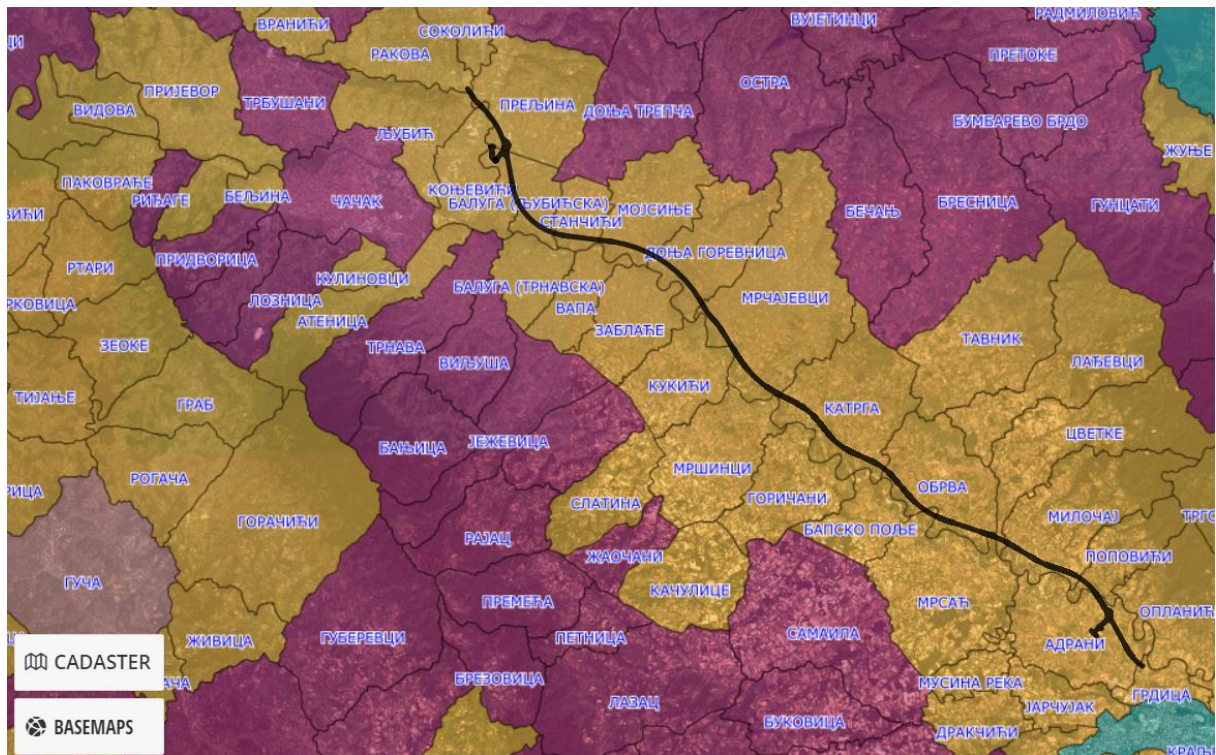


Figure 24 Sector 3 Road Alignment with Municipalities' Borders

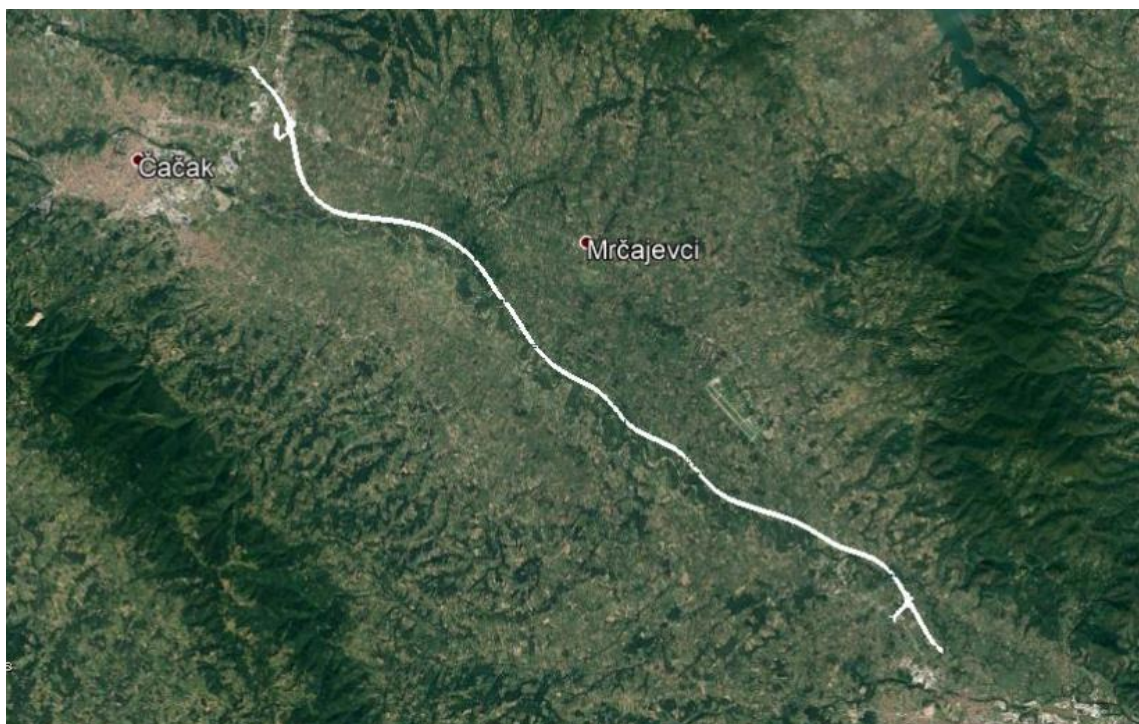


Figure 25 Road Alignment