

Koridori Srbije

**Morava Corridor Motorway  
Project**

Resettlement Action Plan - Sector 1

4-01

Issue | 11 January 2021

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## Abbreviation List

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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

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**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 to March 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 municipalities of Cicevac and Varvarin and the City of Krusevac.

**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

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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 Section 1 of Morava Corridor Highway Project (Pojate – Krusevac), with the main objective of identifying all impacts associated with land acquisition for the purposes of this Project.

The main impacts associated with land acquisition on this section can be divided into the following categories:

Impact	Affected land parcels	Affected households
Loss of residential structures	1	1
Loss of business structures	2	2
Loss of non-residential and non-business structures	23	30
Loss of land	4059	3290 <sup>(*)</sup>

(\*) information received from Corridors of Serbia

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 1 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' requirements<sup>1</sup> and sets out actions on how to bridge them, through provision of adequate compensations and assistance to eligible project affected persons, as outlined in section 5.5.2 Entitlement Matrix. 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.

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<sup>1</sup> 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

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## 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 sections (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 sections, 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 municipalities of Cicevac and Varvarin and the City of Krusevac (that are within sector 1) between 28<sup>th</sup> September and 27<sup>th</sup> October 2020.

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 CoS,
- 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 1 below.

Table 1 Target Sample Sizes for Socio-Economic Survey

No.	Category	Impact	Sample size
1	PAPs affected by physical displacement or loss of business	Major	100%

No.	Category	Impact	Sample size
	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)		
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%

According to the information on the affected land parcels and owners received from Corridors of Serbia, there are 4 059 land parcels and 3 290 owners affected on the Sector 1 of the Project.

As per the information received from the CoS, there are 26 land parcels with affected structures on Sector 1 (Table 2), which fall under Category 1 from Table 1 above, and who are majorly impacted. Arup sample survey size conducted was 84,6% instead of 100%, due to unwillingness of respondents to participate in the survey.

Table 2 Information on Parcels with Affected Structures as Received from CoS

	Residential Structures	Business Structures	Weekend Houses and Garden Cottages
No. of Parcels	1	2	23
No. of Parcel Owners	1	2	30

The information on the affected parcels for each cadastral municipality on the territory of municipalities of Cicevac and Varvarin and the City of Krusevac received from the CoS was reduced by the number of parcels affected by administrative transfers<sup>2</sup>, 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 1, for each of the affected cadastral municipalities (CM). As shown in the Table 3, the target sample size was reached in every cadastral municipality, except in CM Lazarica. The reason

<sup>2</sup> Administrative transfer represents those situations when the ownership is transferred from one public entity to another one.

being that it was more difficult to reach the PAPs in the urban settlements than in rural, where the PAPs know each other. There were few cases (no more than 5) when it was determined during the interviews with the respondent, that they own land parcels affected by the Project in several different cadastral municipalities on Sector 1. In such cases, they were marked as a “conducted survey” in each of those municipalities.

Table 3 Determination of the Target Sample Size

Cadastral Municipality (CM)	Total Number of Parcels as received from the CoS (a)	Number of Affected Owners			Target Sample Size		Number of Conducted Surveys	
		Medium Impact (b)	Minor Impact (c)	Total (b+c)	Medium Impact	Minor Impact	Medium Impact	Minor Impact
<b>Municipality of Cicevac</b>								
CM Cicevac	429	164	76	240	33	8	33	11
CM Grad Stalac	154	60	39	99	12	4	12	4
CM Lucina	26	11	7	18	2	1	2	1
CM Mrzenica	278	92	39	131	18	4	10	4
CM Pojate	77	30	24	54	6	2	6	2
CM Stalac	245	69	106	175	14	11	14	11
<b>Municipality of Varvarin</b>								
CM Bosnjane	399	105	92	197	21	9	21	9

Cadastral Municipality (CM)	Total Number of Parcels as received from the CoS (a)	Number of Affected Owners			Target Sample Size		Number of Conducted Surveys	
		Medium Impact (b)	Minor Impact (c)	Total (b+c)	Medium Impact	Minor Impact	Medium Impact	Minor Impact
CM Maskare	88	34	19	53	7	2	7	2
CM Selo Varvarin	66	21	20	41	4	2	4	2
<b>City of Krusevac</b>								
CM Bivolje	263	26	125	151	5	13	5	13
CM Citluk	110	13	40	55	3	4	3	4
CM Jasika	135	10	62	72	2	6	2	6
CM Kukljin	407	11	31	42	2	3	2	3
CM Lazarica	543	88	165	259	18	17	13	17
CM Makresane	513	86	163	249	17	16	17	16
CM Pepeljevac	46	6	16	22	1	2	1	2

Cadastral Municipality (CM)	Total Number of Parcels as received from the CoS (a)	Number of Affected Owners			Target Sample Size		Number of Conducted Surveys	
		Medium Impact (b)	Minor Impact (c)	Total (b+c)	Medium Impact	Minor Impact	Medium Impact	Minor Impact
CM Sanac	280	72	76	148	14	8	14	8
Total	4059	898	717	1615	179	113	166	115

## 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 The 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 (52.86 km long)

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

## 3. Sector 3: Adrani – Preljina (28.66 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 1 road alignment passes through the area administratively covered by municipalities of Cicevac and Varvarin and the City of Krusevac. According to administrative division of the Republic of Serbia, Municipalities Cicevac and Varvarin and the City of Krusevac encompass within their boundaries smaller settlements – villages in case of Cicevac and Varvarin and city municipalities and villages in case of Krusevac (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 4). 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 4 Affected Settlements on Sector 1

<b>Municipality / City</b>	<b>Settlement (city municipality or village)</b>	<b>Cadastral Municipality (CM)</b>
Municipality of Cicevac	Cicevac	CM Cicevac
	Grad Stalac	CM Grad Stalac
	Lucina	CM Lucina
	Mrzenica	CM Mrzenica
	Pojate	CM Pojate
	Stalac	CM Stalac
Municipality of Varvarin	Bosnjane	CM Bosnjane
	Varvarin Selo	CM Varvarin Selo
	Maskare	CM Maskare
City of Kruevac	Bivolje	CM Bivolje
	Citluk	CM Citluk
	Jasika	CM Jasika
	Kukljin	CM Kukljin
	Lazarica	CM Lazarica
	Makresane	CM Makresane
	Pepeljevac	CM Pepeljevac
	Sanac	CM Sanac

The Project affected area has undergone reoccurring changes in the number of inhabitants similar to other parts of the Republic of Serbia. Population growth is limited to municipality centres and their immediate vicinity, that are also the most urbanized areas. Villages on the outskirts of the municipality centres often

experience expansion without adequate planning, with agricultural land hosting houses, communally and infrastructurally unfit.

Both Cicevac and Varvarin have experienced a decline in population in the last half a century. Municipality of Cicevac lost 23,3% of population during the period between 1971 and 2011, partially in its urban area (9,3%) and much more in its rural settlements (33,4%), with Mrzenica losing as high as 57,2% of its inhabitants. The decline in population of the Municipality of Varvarin in the period 1971 – 2011 was 31,3%, similarly to other municipalities along the Project route and the Republic of Serbia in general (with the exception of urban centres).

On the other hand, the City of Krusevac has witnessed population growth of 99.1% in its urban areas, as well as suburban areas such as Citluk and Pepeljevac. In areas located a little further from the city centre, a decrease in the number of inhabitants is noted: Sanac (27.2%), Makresane (21.7%).<sup>3</sup>

Table 5 Comparative Overview of the Number of Population

Municipality	Number of Population in 1971	Number of Population 2011
Municipality of Cicevac	12.359	9.476
Urban	5.143	4.667
Rural	7216	4.809
Grad Stalac	1.055	693
Lucina	1.082	811
Mrzenica	374	187
Pojate	1.175	846
Stalac	2.087	1.563
Municipality of Varvarin:	26.143	17.966
Bosnjane	2.459	1.713
Varvarin Selo	1.940	1.587
Maskare	777	499
Municipality of Krusevac:	118.016	128.752
Urban	29.509	58.745
Rural	88.507	70.007
Bivolje	6.905	275
Citluk	2.155	3.114
Jasika	1.702	1.784
Kukljin	2.141	1.535

<sup>3</sup> Source: 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 82,78,79)

Municipality	Number of Population in 1971	Number of Population 2011
Lazarica	3.443	1.905
Makresane	1.806	1.414
Pepeljevac	1.933	2.157
Sanac	1.343	978
<b>Total</b>	<b>188.859</b>	<b>177.255</b>

As shown in the Table 6 below, the decrease in the number of households in the affected municipalities is slower than the decrease in number of populations. There are two reasons for this trend. Primarily, due to the family separation and establishment of separate households independently from parental homes in the same or different settlement. The second reason is the continued existence of old-aged households with just one or two members most commonly with both aged over 65 years.<sup>4</sup>

Table 6 Comparative Overview of the Number of Dwellings for Permanent Habitation in 1971 and 2011

Municipality	Number of Households 1971	Number of Households 2011
Municipality of Cicevac	3.279	2.971
Urban	1.427	1.505
Rural	1.852	1.466
Grad Stalac	249	202
Lucina	275	237
Mrzenica	90	69
Pojate	306	246
Stalac	564	477
Municipality of Varvarin:	6.386	5.544
Bosnjane	551	530
Varvarin Selo	503	457
Maskare	213	172
Municipality of Krusevac:	31.668	40.947
Urban	9.784	20.369
Rural	21.884	20.578
Bivolje	2.087	86

<sup>4</sup> Source: 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 142, 134, 136). Data on total number of dwellings in 1971. was not found on the RZS data base Census Books.

Municipality	Number of Households 1971	Number of Households 2011
Citluk	540	901
Jasika	424	554
Kukljin	500	455
Lazarica	998	554
Makresane	402	412
Pepeljevac	479	586
Sanac	294	267
<b>Total</b>	<b>49.078</b>	<b>55.667</b>

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 occupied dwelling, i.e. dwellings used for permanent habitation is relatively low. In the Municipality of Cicevac, the share of occupied dwelling that was used for permanent habitation in 2011 was 68.0% in urban area, and 61.0% in rural settlements. In the Municipality of Varvarin this number equals to 68.4%, while it is slightly higher on the territory of the City of Krusevac: 82.1% in urban areas and 73.9% in rural areas.<sup>5</sup>

Table 7 Dwellings for Permanent Housing According to the Occupancy Status 2011

Municipality	Total number of dwellings	Occupied	Temporarily unoccupied or abandoned	Used occasionally (for vacation, recreation and during seasonal agricultural works)	Other <sup>6</sup>
Municipality of Cicevac	4.559	2935	1.033	578	13
Urban	2.178	1.482	429	257	10
Rural	2.381	1.453	604	321	3
Grad Stalac	345	201	70	73	1
Lucina	359	236	96	27	0
Mrzenica	117	67	22	28	0
Pojate	383	241	118	23	1
Stalac	708	476	183	48	1

<sup>5</sup> Source: 2011 Census of Population, Households and Dwellings in the Republic of Serbia. Number and Floor Space of Housing Units. Data by settlements. Book 22. Belgrade 2013. (pages 238, 224, 226)

<sup>6</sup>This number includes the following categories: structures used only for performing activities, occupied business premises, premises occupied from necessity, collective housing units.

Municipality	Total number of dwellings	Occupied	Temporarily unoccupied or abandoned	Used occasionally (for vacation, recreation and during seasonal agricultural works)	Other <sup>6</sup>
Municipality of Varvarin:	7.908	5.410	1.966	494	38
Bosnjane	735	516	193	18	8
Varvarin Selo	657	453	184	18	2
Maskare	306	170	83	45	8
Municipality of Krusevac:	51.556	40.083	9.399	1.768	306
Urban	24.205	19.869	4.057	91	188
Rural	27.351	20.214	5.342	1.677	118
Bivolje	102	80	19	1	2
Citluk	1.104	874	210	7	13
Jasika	684	545	124	13	2
Kukljin	568	445	74	47	2
Lazarica	611	537	73	0	1
Makresane	544	399	126	17	2
Pepeljevac	751	578	126	46	1
Sanac	355	266	85	4	0
<b>Total</b>	<b>72.352</b>	<b>54.503</b>	<b>14.184</b>	<b>3.255</b>	<b>401</b>

According to the national Bureau of Statistics, the average net salary (without taxes and contributions) in June 2020 at national level was at 59.740 RSD (approx. 506 EUR), while the employees in the City of Krusevac earned 50.858 RSD (approx. 431 EUR). In the Municipality of Cicevac this number equals to 45.740 RSD (approx. 388 EUR), and 42.833 RSD (approx. 363 EUR) in the Municipality of Varvarin.

## 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 8 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)

	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)

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

## 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

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### 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:

- 1<sup>st</sup> March 2020, 16h in the premises of the Municipality of Cicevac
- 28<sup>th</sup> February 2020, 10h in the premises of the Municipality of Varvarin
- 28<sup>th</sup> February 2020, 13h in the premises of the Municipality of Krusevac

### 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 1 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 93. 29 cases have been resolved and the remaining 64 cases 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 municipalities of Cicevac and Varvarin and the City of Krusevac between 28<sup>th</sup> September and 27<sup>th</sup> October 2020. 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 9 below shows information on the affected land on Sector 1, as per information received from Corridors of Serbia. The available data indicated that agricultural land is most affected in all cadastral municipalities, except in CM Pojate and CM Mrzenica. The average affected area of the parcels is about 10 ares, while the smallest affected area in most cases is only 1 m<sup>2</sup>. It should also be noted that in almost all cadastral municipalities largest affected area represents publicly owned land.

Table 9 Affected land and structures on Sector 1

Cadastral Municipality (CM)	Total Number of Parcels as received from the CoS (a)	Total area of parcels (ha)	Total area affected (ha)	Smallest affected area (ha)		Largest affected area (ha)		Average affected area (ha)	Land use								
				Private	Public	Private	Public		Agricultural Land		Construction Land <sup>7</sup>		Other <sup>8</sup>		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)	
<b>Municipality of Cicevac</b>																	
CM Cicevac	<b>429</b>	116,12	41,10	0,0001	0,0002	0,61	3,10	0,09	<b>371</b>	35,42	<b>25</b>	0,60	<b>33</b>	5,14	0	0	

<sup>7</sup> Land zoned for construction

<sup>8</sup> other naturally barren land and parcels with no information on land use

Cadastral Municipality (CM)	Total Number of Parcels as received from the CoS (a)	Total area of parcels (ha)	Total area affected (ha)	Smallest affected area (ha)		Largest affected area (ha)		Average affected area (ha)	Land use							
				Private	Public	Private	Public		Agricultural Land		Construction Land <sup>7</sup>		Other <sup>8</sup>		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)
CM Grad Stalac	<b>154</b>	78,81	10,92	0,0004	0,0022	0,32	0,54	0,07	<b>146</b>	10,27	<b>0</b>	0	<b>7</b>	0,64	<b>1</b>	0,009
CM Lucina	<b>26</b>	2,28	1,01	0,0003	0,0027	0,14	0,04	0,03	<b>18</b>	0,83	<b>0</b>	0	<b>8</b>	0,17	<b>0</b>	0
CM Mrzenica	<b>278</b>	73,98	24,41	0,0001	0,0013	0,60	2,59	0,08	<b>132</b>	9,50	0	0	<b>137</b>	12,03	<b>9</b>	2,86
CM Pojate	<b>77</b>	58,38	8,10	0,0001	0,0004	0,21	4,11	0,10	<b>2</b>	0,08	<b>68</b>	7,64	<b>2</b>	0,31	<b>0</b>	0
CM Stalac	<b>245</b>	69,89	16,68	0,0001	0,0008	1,10	0,81	0,06	<b>225</b>	15,06	<b>4</b>	0,40	<b>14</b>	0,83	<b>2</b>	0,38
Municipality of Varvarin																
CM Bosnjane	<b>399</b>	81, 51	25,48	0,0001	0,0021	0,44	2,70	0,06	<b>331</b>	18,96	<b>0</b>	0	<b>66</b>	6,45	<b>2</b>	0,06

Cadastral Municipality (CM)	Total Number of Parcels as received from the CoS (a)	Total area of parcels (ha)	Total area affected (ha)	Smallest affected area (ha)		Largest affected area (ha)		Average affected area (ha)	Land use							
				Private	Public	Private	Public		Agricultural Land		Construction Land <sup>7</sup>		Other <sup>8</sup>		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)
CM Maskare	88	55,08	6,59	0,0002	0,010	0,31	1,52	0,07	47	3,94	0	0	6	0,37	35	1,99
CM Selo Varvarin	66	38,33	7,32	0,0001	0,018	0,47	2,02	0,11	56	6,94	0	0	9	0,38	1	0,0001
<b>City of Krusevac</b>																
CM Bivolje	263	69,82	10,48	0,0001	0,0001	0,75	2,57	0,04	171	3,33	73	2,29	19	4,85	0	0
CM Citluk	110	29,64	13,87	0,0001	0,0006	0,05	7,36	0,12	No Info	No Info	No Info	No Info	No Info	No Info	No Info	No Info
CM Jasika	135	35,56	9,54	0,0004	0,0006	0,20	3,68	0,07	No Info	No Info	No Info	No Info	No Info	No Info	No Info	No Info

Cadastral Municipality (CM)	Total Number of Parcels as received from the CoS (a)	Total area of parcels (ha)	Total area affected (ha)	Smallest affected area (ha)		Largest affected area (ha)		Average affected area (ha)	Land use							
				Private	Public	Private	Public		Agricultural Land		Construction Land <sup>7</sup>		Other <sup>8</sup>		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)
CM Kukljin	<b>407</b>	78,07	51,62	0,0001	0,0039	1,11	2,72	0,12	No Info	No Info	No Info	No Info	No Info	No Info	No Info	No Info
CM Lazarica	<b>543</b>	115,34	26,47	0,0001	0,0001	0,42	6,31	0,06	No Info	No Info	No Info	No Info	No Info	No Info	No Info	No Info
CM Makresane	<b>513</b>	56,15	15,34	0,0001	0,0003	0,29	7,86	0,02	<b>437</b>	5,02	<b>4</b>	0,05	<b>63</b>	10,10	<b>9</b>	0,15
CM Pepeljevac	<b>54</b>	11,27	2,88	0,0001	0,0004	0,12	1,45	0,06	No Info	No Info	No Info	No Info	No Info	No Info	No Info	No Info
CM Sanac	<b>280</b>	34,71	9,81	0,0001	0,0011	0,33	1,54	0,03	<b>177</b>	5,74	<b>0</b>	0	<b>89</b>	2,87	<b>14</b>	1,19

## 5.1 Census of Affected Assets and Affected Businesses

The alignment on Sector 1 impacts 16 cadastral municipalities (CM) within the administrative areas of Municipality of Cicevac, Municipality of Varvarin and City of Krusevac.

The socio-economic Survey on Section 1 covered 272 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

## 5.2 Affected People

### Gender and Age Distribution of the Property Owners

As it was previously mentioned, there were 272 respondents in the survey. Two thirds of respondents (65,1%) are the owners of the property that is subject to expropriation. As shown in the Figure 3 below, 16,2% of the respondents are spouses of the owners, while 8,5% of the respondents are parents of the owners.

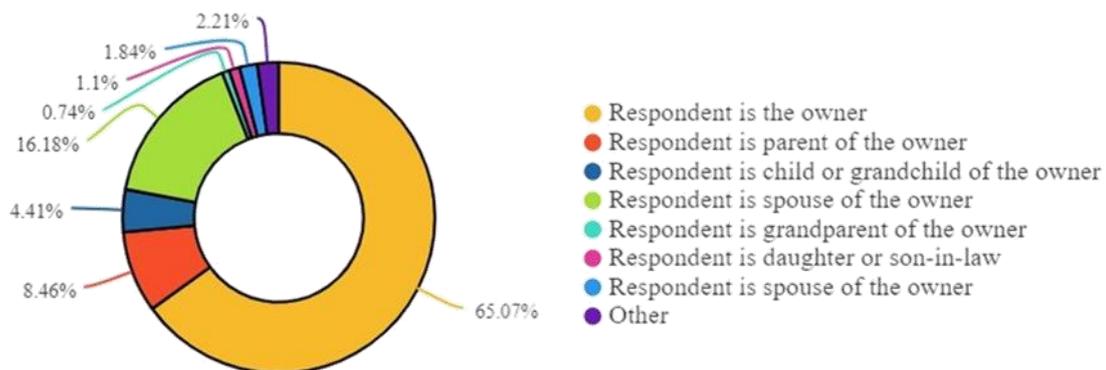


Figure 2 Respondents' Relationship with the Property Owner in Sector 1

Men are prevalently the title holders of real estate (as high as 70,6% of all PAPs) while women hold titles in 29,4% cases. Generally, the traditional ownership and title holding structure is still alive in the Republic of Serbia, where men represent the absolute majority of title holders, while women become title holders prevalently by the right of succession. Such gender structure is particularly unfavourable when it comes to accessing available agricultural development funds supporting agriculture as the land or other assets is not their formal ownership which often prevents such assets to be transferred into collaterals, exacerbating the already low access of women to such opportunities.



Figure 3 Gender Distribution of the Property Owners in Sector 1

Almost two thirds of owners are older than 65 years (63,6%). On one hand, this shows the unwillingness to pass property ownership rights during lifetime, and on the other, it indicates a feeble interest of heirs to engage in agriculture.

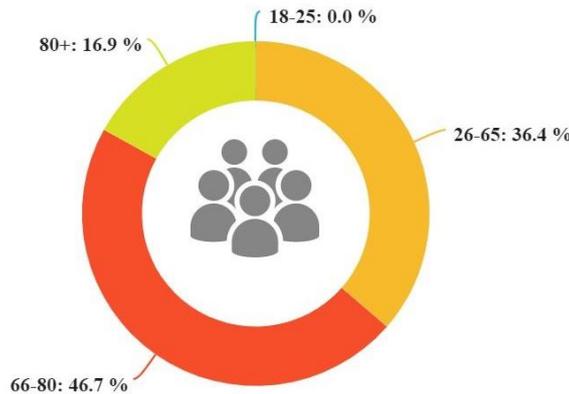


Figure 4 Age Distribution of the Property Owners

### Household Structure

Amongst the surveyed households, more than one third (38,2%) are large households with 5 or more members, whereas some of those households have ten or more members. Those large households are usually composed of three generations. Important function of these households is the care for the elderly members, especially in rural settlements, where access to health and social services is often difficult due to irregular public transportation.

One fifth of all households are two-member households, and 13,2% of the households have only one member.

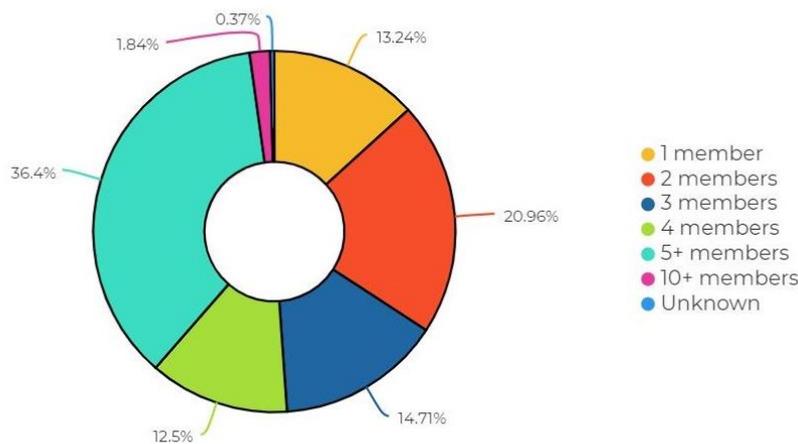


Figure 5 Surveyed Households' Size

There is approximately 950 members<sup>9</sup> in total in the surveyed households. The average size of households is slightly over 4 members per household. There are only 82 children below 19 years of age, or around 7% of total number of surveyed household members. This low number indicates that the majority of households are without children, and that the settlements where these households are located are in the process of demographic ageing and at risk of disappearance. On the other hand, there are 33 households (12,1%) that can be considered elderly, i.e. households without members younger than 65 years. 81,8% of them are one-member households.

## 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.

Considering older age structure of the owners and their spouses, making altogether over four fifths of all respondents (81,3%), it is surprising that so much as 11% of collocutors graduated from university. Relatively low percentage of respondents answered that didn't finish elementary school (2,2%), while only 23,9% finished elementary school. The reason we can consider these percentages as low is the fact that educational structure of population in rural areas in Republic of Serbia is in average lower than that in urban areas.

Older age structure of the owners is linked with the high share of pensioners among them (71,0%). The number of permanently employed persons is low, only 14,3%, and it is similar to the percentage of unemployed owners - 12,9%. Information on occupation of the head of household is shown in Figure 6 below.

<sup>9</sup> Not all respondents gave answer to these questions.

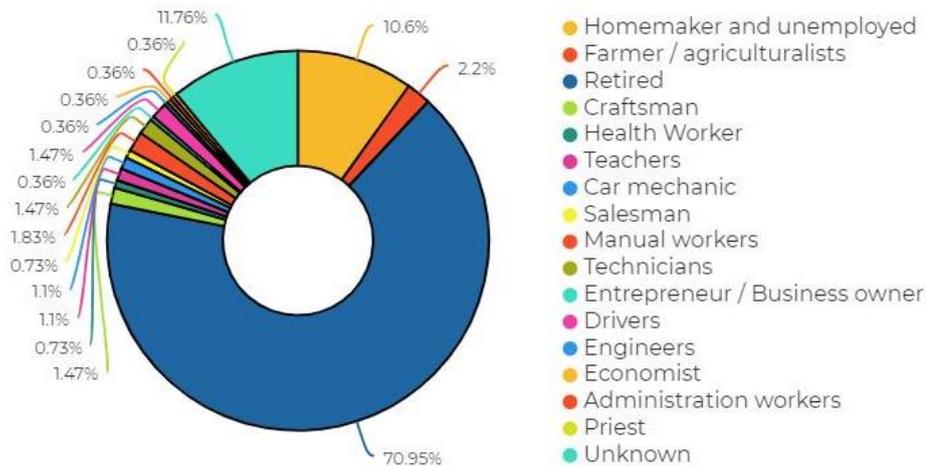


Figure 6 Occupation of the Head of the Household

Data on income source includes information on all household members that have income. There are 486 income sources in 272 surveyed households, which means there are 1.8 sources of income per household, on average. Most frequent income sources are pensions (44% of all incomes), followed by incomes out of job earnings (31,5%). 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.

There are 85 households (31,3%) that reported that they generate some income from agriculture. In most cases, surveyed PAPs live in the settlements that overlap with the territory of cadastral municipalities their property belongs to (92%). The remaining 8% are mostly cases where the property is located on the outskirts of the City of Krusevac, while the owners live in the surrounding rural settlements. However, the reason for this can be the fact that it was significantly harder to locate those PAPs that live in the urban settlements and their representation in the survey was, therefore, slightly lower. This data shows that the households are settled in the vicinity of the affected land parcels, and that they are able to cultivate it regularly. However, the fact that only 31,3% of the respondents confirmed that they generate income from agriculture can be explained by high representation of elderly households – as previously mentioned, 63.4% of the affected owners are older than 65 and in 12,1% of the surveyed households there are no members younger than 65 years old. The result can also be explained by generally low interest of young people to engage in agriculture. This is confirmed by Census 2011, where only 7% of economically active population younger than 65 y/o declared themselves as farmers. On the other hand, 56,3% of the respondents confirmed they will continue to engage in agriculture, witnessing there is a significant number of households that do not generate any income from it, but engage in agriculture as household subsistence.

The income of leasing land or property is not insignificant (4,4% of households). Although it seems as a small number it however indicates the rising tendency of renting land for agriculture, which in turn indicates higher interest in agricultural activities.

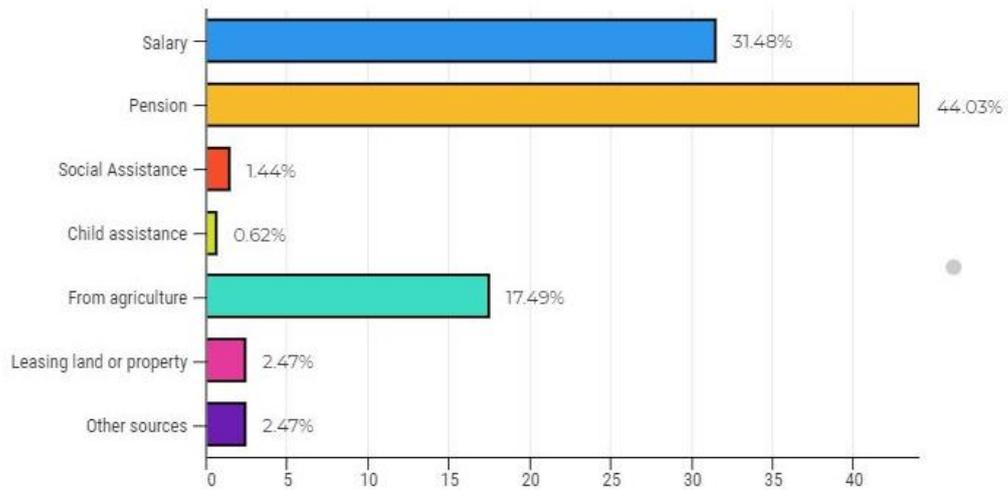


Figure 7 Source of Income in the Household

Self-assessment of the economic status of the households shows that a relatively small share of respondents considers their households at risk of poverty (6,9%). Regardless of the fact that only one collocutor assessed their economic status as above average, this data shows that affected households' economic status is generally above national average. The number of households that are users of some form of social assistance is relatively small (2,6%), as well as those receiving child assistance (1,1%).

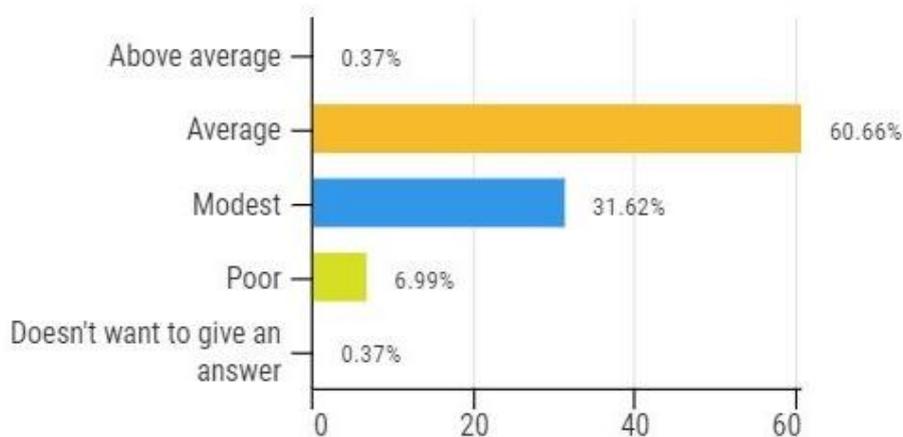


Figure 8 Assessment of Economic Status of the Household

The answers regarding income amounts should be taken with doubt in all surveys. 11,4% of the surveyed households answered that their households have no income at all. These answers are in contradiction with economic status self-assessment shown in the Figure 8. Furthermore, amounts that are given as total monthly income of the households are very low. Regardless of the facts that agricultural pensions are low (in average around 12.000 RSD, or 100 EUR) and taking into account that surveyed households generate 1,8 incomes per household, it is fair to

assume that total income of households should be higher than those that are submitted in the Figure 9, based on survey answers.

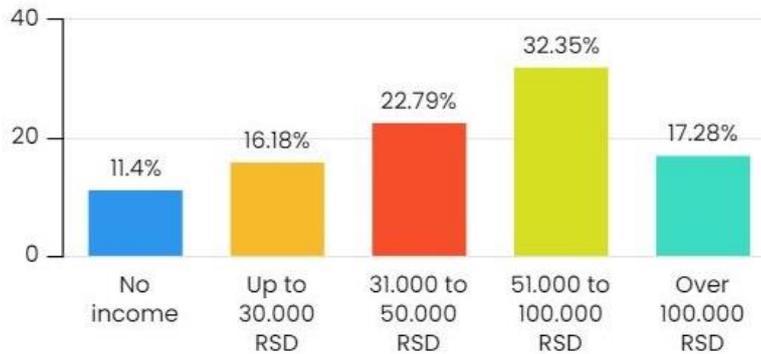


Figure 9 Total Households' Income

The analysis of responses regarding main monthly expenditures shows that the household expenditure structure is similar as in 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. Following the trends in the Republic of Serbia in the last ten years, investments in agriculture is also named as one of the main expenditures in 14,0% of the households. Slightly over one fourth of all households have a loan. The loan repayment period is usually between one and five years, or less than a year.

13,3% of the surveyed households do not own any transportation vehicles or agricultural machines. Amongst those that own any type of these assets, car-owners are most numerous (69,1%), followed by owners of tractors and accompanying attachments. Answers regarding recent purchase of vehicles or machines in last 5 years show that four out of five households didn't purchase any machines in recent years. Only vehicles bought in the last five years are cars, as responded by 14,3% households.

A quarter of the surveyed households have faced some form of economic challenge or risk in the last five years. Most frequently, the reasons were job losses (31 household, i.e. 31%) and damage inflicted by weather conditions (floods, hail, draughts) (17 households, i.e. 6%), followed by death of a family member (12 households, i.e. 4%) and illnesses (5 households, i.e. 2%).

According to the responses on intended spending patterns of the received compensation, most of the respondents will use the received compensation for everyday expenses (39,0%), followed by improvement of household conditions (21,3%) and savings (21,0%). Only 8,1% of households' intent to buy replacement agricultural land, while 1,8% of the respondents has an investment plan towards new equipment and machinery for agricultural production and harvesting. 73% of the respondents who plan to invest in agricultural land or

machines are older than 65 y/o. This once again confirms general low interest for engagement in agriculture among younger population.

### 5.3 Affected Land

As it was previously mentioned, the affected land parcels on Sector 1 of the Project belong to 16 cadastral municipalities located within the administrative areas of Municipality of Cicevac, Municipality of Varvarin and City of Krusevac.

The Figure 10 below shows the cadastral municipalities according to the location of the parcel of the interviewed owners.

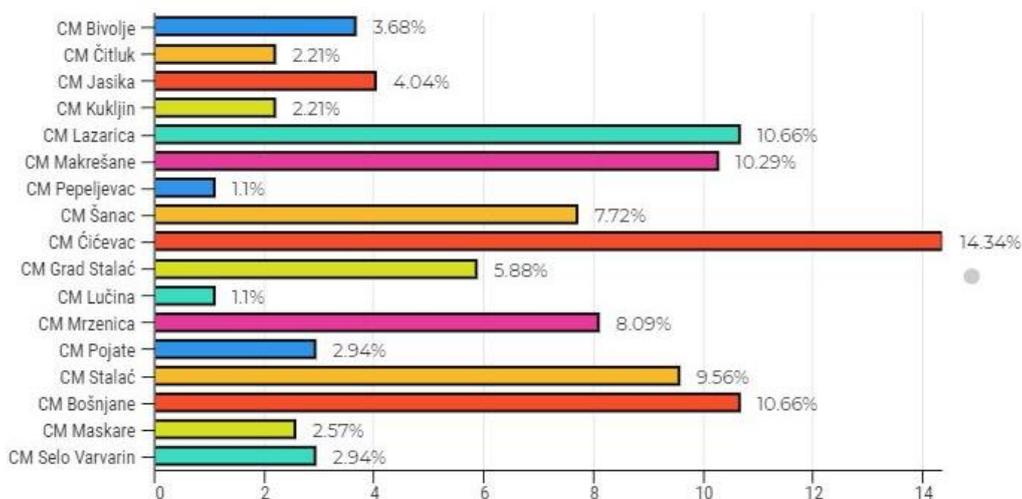


Figure 10 Cadastral Municipalities according to the Location of the Parcel of Interviewed PAPs

97.4% of the affected parcels are in the family for generations and part of the household's estate for over half a century, while only 2,6% of the respondents answered that the land was purchased in the last 10 years. This is one of the signs of static real state conditions, and a limited transaction of agricultural land in this region of the Republic of Serbia.

The majority of the surveyed land parcels has an area of between 10 and 30 ares (50.8%), followed by parcels smaller than 10 ares (23,9%) and those of between 50 and 100 ares (18,4%). Large parcels, with an area larger than 1 ha are represented with a share of 6,9% of land parcels.

In majority of cases (66,2%), less than 30 ares of land was affected by expropriation, while more than 1ha of land was affected in only 6,9% of cases. It should be noted that, only 43 among the surveyed PAPs (15,8%) had their parcels expropriated completely (100% of parcel area).

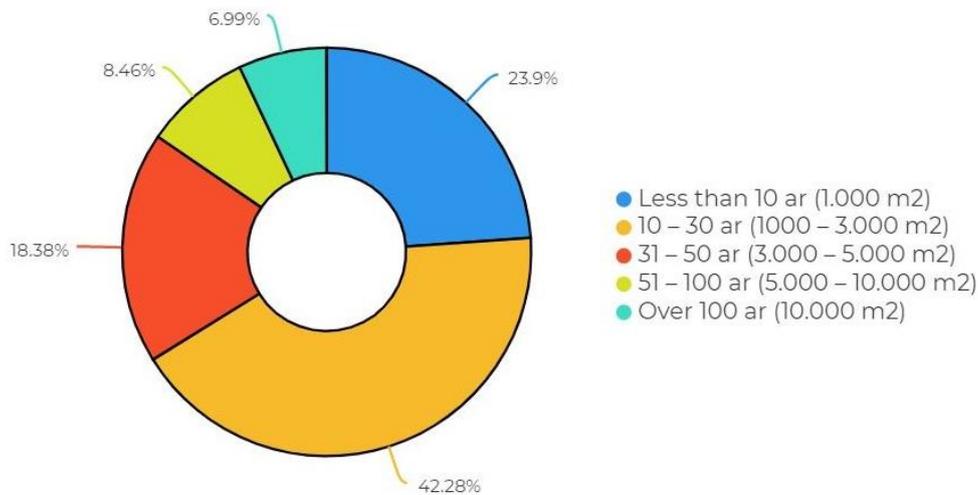


Figure 11 Area of Parcels Affected by Expropriation

41,2% of the respondents whose land is partially expropriated noted that the remaining part of the parcel is not economically viable. However, only a few of them (20,5%) have already submitted requests for the acquisition of the unviable parcel, in accordance with the provisions of Article 10 of Law on Expropriation. 18,4% of the respondents stated that they are planning to submit the request in near future. It should be noted that, as per the requirements of Law on Expropriation (Article 30), all PAPs are presented with the possibility to submit request for the acquisition of unviable part of the parcel during the individual hearings, and they have the possibility to do so until two years after the construction works are over. Furthermore, there is no limitation to the number of requests a PAP can submit.

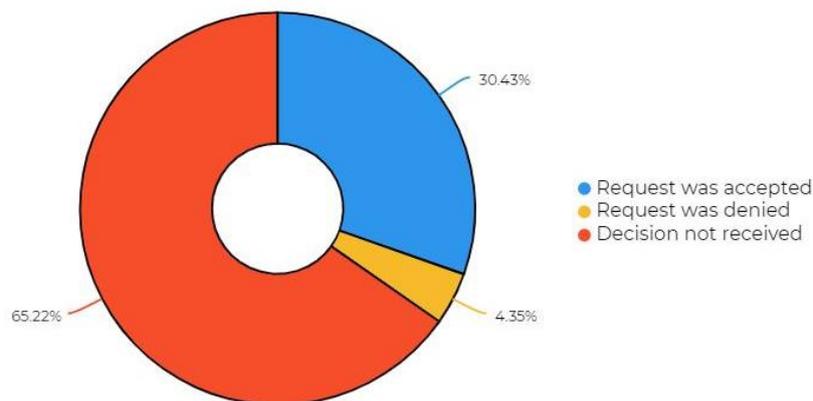


Figure 12 Outcomes of Submitted Requests for the Acquisition of Unviable Part

Based on the survey the land use pattern registers prevalently the category of cultivated agricultural land (86,4%) while a significantly lower share takes agricultural but non cultivated land (9,6%).

In 57,7% cases, the expropriation also encompassed crops. Most commonly, the affected crops were annual plants (52,2%), followed by fruit bearing trees and orchards (42,0%).

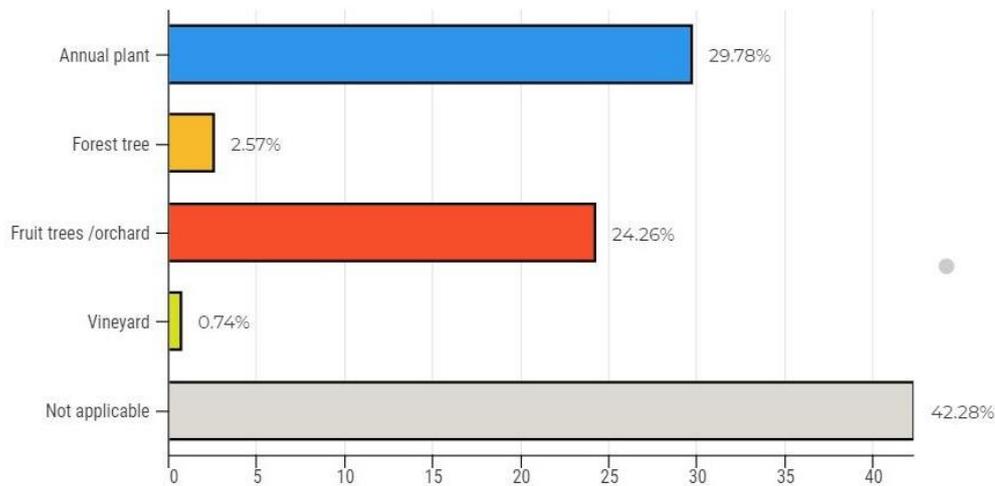


Figure 13 Affected Crops

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. In most cases (47,4%), less than 5 trees were encompassed by expropriation and only in 5,1% were between 50 and 100 affected trees. There were only 2 cases where more than 100 trees were affected by expropriation (2,6%). The answers that indicate the area of parcel under crops mostly coincide with the total acquired area of the parcel.

## 5.4 Affected Structures

According to the information received from Corridors of Serbia, there are 26 land parcels with structures affected on Sector 1 of the Project (1 in CM Pojate, 10 in CM Cicevac, 2 in CM Stalac, 2 in CM Grad Stalac, 1 in CM Maskare, 2 in CM Mrzenica, 3 in CM Bosnjane, 1 in CM Lazarica, 2 in CM Citluk, 1 in CM Pepeljevac and 1 in CM Kuklin). This number includes 1 residential and 2 business structures, while the remaining ones are auxiliary structures, weekend houses and garden cottages.

Table 10 below shows the affected structures on Sector 1 according to the survey results.

Table 10 Affected Structures on Sector 1 According to the Survey Results

Affected Structure	Number of Affected Households	Percentage
Auxiliary Structure	63	82,9%
Residential Structure	11	14,5%
Business Structure	2	2,6%

Affected Structure	Number of Affected Households	Percentage
<b>Total</b>	<b>76</b>	<b>100%</b>

It should be noted that the answers regarding auxiliary structures were most commonly related to water pumps and pipes, fences and wells. Among the structures that respondents described as residential, the majority (72,7%) of PAPs confirmed those structures were used either as weekend houses or for rest during engagement in agricultural activities. 81,8% of the respondents confirmed that they have never used the expropriated structure as permanent residence. The remaining two respondents confirmed that they used to live in the expropriated structures and that they resolved their housing situation by moving to another family-owned structure. Table 11 shows respondents' answers who declared their affected structures as residential with regards to utility connections in those structures. The results presented indicate that the majority of structures that were described as residential are not equipped with basic facilities for permanent residence and only one structure was equipped with a kitchen, bathroom, electricity, septic tank and hydrophore.

Table 11 Utility Connections in the Affected Structures

Connection	Number of Structures	Percentage
Electricity	4	36,4%
Hydrophore	6	54,5%
Kitchen	2	18,2%
Bathroom	1	9,1%
Septic tank	1	9,1%
There were no connections	3	27,3%
<b>Total</b>	<b>11</b>	<b>100%</b>

Only one structure has an area larger than 100 m<sup>2</sup>, 4 structures are between 30 and 50 m<sup>2</sup>, 4 are between 10 and 30 m<sup>2</sup>, while the last is evidently an improvised structure with an area of less than 10 m<sup>2</sup>. In all cases, the affected structures were constructed with common types of building materials such as bricks, concrete blocks, cement, wood and other.

The information on the affected business structures is presented in the Table 12 below.

Table 12 Affected Business Structures

Type of Business	Area of Business Structure	No. of Workers that are not Family Members
Restaurant	More than 100 m <sup>2</sup>	11-50
Farm	More than 100 m <sup>2</sup>	1-5

One of the owners received compensation for the expropriated business structures, stating that the received amount is sufficient and is generally satisfied with the expropriation process, while the other one was discontent with the fact that their property was encompassed by expropriation and didn't think that the compensation received was satisfactory. The latter PAP did not sign the compensation agreement and the court procedure has been initiated.

## 5.5 Entitlements

### 5.5.1 Eligibility to 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 unregistered<sup>10</sup> owners and informal users<sup>11</sup> 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);

<sup>10</sup> Owners with recognisable legal right or claim

<sup>11</sup> Persons who have established usage of public or private land and have immovable objects, crops, woods, trees, fruit bearing trees, vineyards etc.

- 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;
- 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;
- 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.

### 5.5.2 Entitlement 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
<b>A – PHYSICAL DISPLACEMENT</b>				
<b>Loss of residential structure</b>	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: <ul style="list-style-type: none"> <li>• moving costs</li> <li>• registration, administrative and tax fees</li> <li>• transitional allowance</li> </ul>
	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: <ul style="list-style-type: none"> <li>• costs of equipment relocation and installation</li> </ul>
	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
				<ul style="list-style-type: none"> <li>costs of equipment relocation and installation</li> <li>transitional allowance</li> </ul>
<b>B – ECONOMIC DISPLACEMENT</b>				
<b>LAND</b>				
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: <ul style="list-style-type: none"> <li>moving costs</li> <li>registration, administrative and tax fees</li> </ul>
	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	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: <ul style="list-style-type: none"> <li>costs of equipment relocation and installation</li> </ul>

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
	<p>PAPs without formal title (in possession of land prior to cut-off date)</p>	<p>Replacement land for lease, if land was leased from state, if possible</p> <p>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</p> <p>Replacement land for lease from state, if possible</p>	<p>Cash compensation for all improvements on land: market price for improvements + labour and time to install improvements at market price</p>	<p>Compensate the difference between the received compensation and equivalent replacement cost to PAPs without formal title:</p> <ul style="list-style-type: none"> <li>● costs of equipment relocation and installation</li> <li>● transitional allowance</li> </ul>
<p>Construction land regardless to severity of loss (whether partial or complete loss)</p>	<p>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</p>	<p>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;</p> <p>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</p>	<p>Cash compensation at replacement costs: market price of property + market price for improvements + labour and time to install improvements at market price</p>	<p>Compensate the difference between the received compensation and equivalent replacement cost to the previous owners:</p> <ul style="list-style-type: none"> <li>● moving costs</li> <li>● registration, administrative and tax fees</li> <li>● transitional allowance</li> </ul>

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
	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 + 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	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: <ul style="list-style-type: none"> <li>• costs of equipment relocation and installation</li> <li>• transitional allowance</li> </ul>
	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: <ul style="list-style-type: none"> <li>• costs of equipment relocation and installation</li> <li>• transitional allowance</li> </ul>
Unviable land, agricultural or construction (In case the remaining area of land is not viable, it can be expropriated)	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
upon PAPs request)				
<b>PLANTS AND STRUCTURES ON AGRICULTURAL LAND (but not physical relocation)</b>				
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	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
			preparation etc.) to plant a new vineyard, orchard or similar	
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	Cash compensation at replacement cost: investment in planting material (seedlings, labour and other reproductive	

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
		needed to grow same nursery + transitional allowance	material) + net loss for the time needed to grow same nursery	
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: <ul style="list-style-type: none"> <li>• moving costs</li> <li>• administrative taxes and fees</li> <li>• transitional allowance</li> </ul>
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.
<b>BUSINESS (but not agriculture)</b>				
Business structures (shops,	Owners with formal title (including those that have a claim to	Cash compensation at replacement costs: Structure at market price + Costs of equipment and inventory relocation and re-installation and moving costs +	Cash compensation at replacement costs: Structure at market price	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
office buildings) etc.	structure that is recognized or recognizable under national laws)	administrative fees needed for transfer of ownership rights, if any + Transitional allowance or; At property owner demand, if legal terms are met, replacement property of equal or higher value and similar feature, in direct proximity or in the surroundings of the expropriated building + Costs of equipment and inventory relocation and re-installation and moving costs + administrative fees needed for transfer of ownership rights, if any + Transitional allowance		compensation and equivalent replacement cost: <ul style="list-style-type: none"><li>● costs of equipment and inventory relocation and re-installation and moving costs</li><li>● administrative taxes and fees</li><li>● transitional allowance</li></ul>
	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: <ul style="list-style-type: none"><li>● costs of equipment and inventory relocation and re-installation and moving costs</li><li>● administrative taxes and fees</li><li>● transitional allowance</li></ul>
	Owners without formal title (building constructed without building permit on one's own plot of land,	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
	or on somebody else's land - usually state owned)	And; Replacement premises to be leased from state, if possible		<ul style="list-style-type: none"> <li>costs of equipment and inventory relocation and re-installation and moving costs</li> <li>administrative taxes and fees</li> <li>transitional allowance</li> </ul>
	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: <ul style="list-style-type: none"> <li>moving costs</li> <li>administrative taxes or fees</li> <li>transitional allowance</li> </ul>
	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
<b>C – OTHER RESETTLEMENT SITUATIONS</b>				
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	<ul style="list-style-type: none"> <li>• compensation to be determined on a case-by-case basis</li> <li>• CoS to confirm access was restored to its original state</li> </ul>
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 +	No grievances have been received to date  Cash compensation for all improvements for land at market price + labour and time	Compensate the difference between the received compensation and equivalent replacement cost: <ul style="list-style-type: none"> <li>• costs of equipment relocation and installation</li> </ul>

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
		Replacement cost in accordance with this matrix for affected crops, orchards, nurseries etc. and Replacement land for lease from state, if possible.	to install improvements at market price + replacement cost in accordance with this matrix for affected crops, orchards, nurseries, etc.	<ul style="list-style-type: none"> <li>transitional allowance</li> </ul>
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	<ul style="list-style-type: none"> <li>mitigation measures to be determined on a case-by-case basis</li> </ul>
Undetermined impact	Any person affected by impact	Any undetermined impact will be mitigated in accordance with principles and aims of this RAP	N/A	

### **5.5.3 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

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### 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, there are 85 households (31,3%) that reported that they generate some income from agriculture. This number correlates with the number of households who confirmed that the expropriated parcels represent main source of their household income (32%). Among the PAPs who confirmed that they generate some income from agriculture, 56,5% of PAPs reported that they earn more from other income sources; 32,9% stated income from agriculture is equal to that generated from one or more other income sources, while 10,6% of PAPs reported agriculture as highest source of income from which they earn the most. 26,4% of these respondents answered they will not continue to engage in agricultural production as a source of income, while more than a half of PAPs (56,3%) will continue with agricultural activities, either for subsistence consumption or for market placement. Amongst the former responses, it was difficult to distinguish those who will not engage in agricultural activities as a result of the Project from those who will not be able to do it anymore due to their old age.

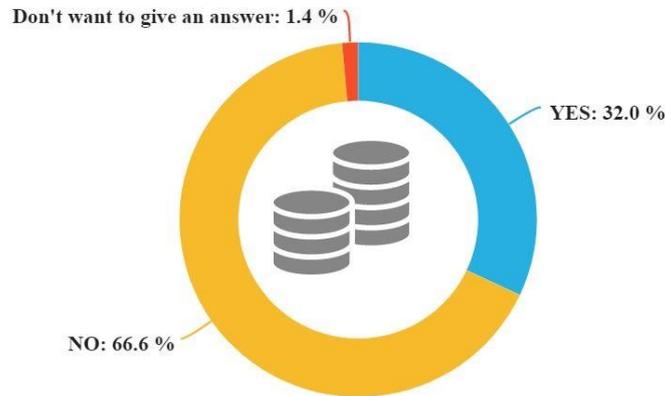


Figure 14 Expropriated Parcel is the Main Source of Income

**B. PAPs who were Affected by Loss of Business Structures**

In two cases, PAPs’ business structures were affected by expropriation: (1) a restaurant and (2) a farm. Both structures are larger than 100 m<sup>2</sup>. The restaurant employs between 11 and 50 people that are not owner’s family members, while in case of the farm this number does not exceed 5 employees. One of the owners received compensation for the expropriated business structures and stated that the received amount is sufficient and is generally satisfied with the expropriation process, while the other one was discontent with the fact that their property was encompassed by expropriation and didn’t think that the compensation received was satisfactory. The latter PAP did not sign the compensation agreement.

**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 13 have been identified. 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 13 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"> <li>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)</li> </ul>	Contractor
<ul style="list-style-type: none"> <li>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</li> </ul>	CoS with support of other relevant entities (e.g. National Employment Service)
<ul style="list-style-type: none"> <li>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</li> </ul>	CoS with support of other relevant entities (e.g. Ministry of Agriculture, Forestry and Water Management)

### 6.3 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 (please see p. 47). 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, uniformed prices for land within the same municipalities were adopted, as shown in the Table 14 below.

Table 14 Adopted Prices for Land in the Affected Municipalities

Municipality / City	Price per m2 (for agricultural land)
Municipality of Cicevac	170 RSD (approx. 1,4 EUR)
Municipality of Varvarin	170 RSD (approx. 1,4 EUR)
City of Krusevac	200 RSD (approx. 1,7 EUR)

In 68,2% cases, the owners confirmed that they have received cash compensation for the affected crops, while 31,8% of them noted that such compensation has not been received. 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 the majority of PAPs (80,0%) confirmed they were able to harvest the crops. For 16% of the respondents this question was not applicable, while 4% of them answered negatively to it. 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 they still cultivate the parcels.

When it comes to auxiliary structures, 63 respondents reported that they had auxiliary structures attached to the affected land plots, that were in 66,7% of cases adequately compensated. Structures that the owners reported as residential were compensated in all cases but one, where the owner has not received compensation due to an error in the expropriation agreement. Submission of new expropriation agreement is pending. 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.

The majority of the respondents (55,5%) are satisfied with the received compensation. 22,1% of the respondents did not answer this question, while the remaining 22,4% thought that the valuation was too low, most commonly because they were comparing the prices to the other municipalities alongside the corridor that received higher compensation. 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

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### 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 18<sup>th</sup> to August 16<sup>th</sup> 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 29<sup>th</sup> 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:

- 20<sup>th</sup> February 2020, 16h in the premises of the Municipality of Cicevac
- 18<sup>th</sup> February 2020, 10h in the premises of the Municipality of Varvarin
- 18<sup>th</sup> February 2020, 13h in the premises of the Municipality of Krusevac

Prior to the consultations, RLRF was publicly available on relevant municipalities' websites and City of Krusevac 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:

- 23<sup>rd</sup> September 2020 in Cicevac
- 24<sup>th</sup> September 2020 in Varvarin
- 25<sup>th</sup> September 2020 in Krusevac

During these meetings, the attendees were informed about the process of preparing the Resettlement Action Plan, its purpose and were asked to participate in the survey on the spot, as well as in the forthcoming weeks when the Consultant's surveying team was on site.

### **Individual Meetings during Socio-economic Survey**

As part of the preparation of this plan, a socio-economic survey was conducted with 272 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. Over 86% of PAPs 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 (6.3%) 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. 60,3% of PAPs stated that they were completely satisfied with the information distribution, followed by 20,1% who are partially satisfied. There were 10,3% of the respondents who declared their complete dissatisfaction with the process, mostly because they were first informed about the process through unofficial sources or are completely uninformed.

A large number of surveyed PAPs (77,6%) said they did not know where to address their grievances. These responses 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 draft RAP in Serbian and English will be made publicly available at the Corridors of Serbia website, as well as on the websites of municipalities Cicevac and Varvarin and the City of Krusevac. Hard copies of the documentation shall be available in the affected municipalities.

Given the outbreak and spread of the COVID-19 virus in the Republic of Serbia, conventional methods of public consultations may not possible. Taking into account the current situation in the country, as well as the measures to combat the pandemic imposed by the Government of the Republic of Serbia, which are in force at the given time, public consultations regarding the RAP should be held in one of the following ways:

- a) public consultations in the premises of municipalities of Cicevac and Varvarin and the City of Krusevac, with the application of prescribed measures

- b) public consultations in the open (locations to be defined as suitable), with the application of prescribed measures
- c) broadcast of the recorded presentation on local media channels and/or websites of municipalities of Cicevac and Varvarin and the City of Krusevac; comments and questions to be collected via email

All announcements of public consultations shall contain a statement on the purpose of the RAP to clarify RAP's objectives and provisions. If the consultations are organised vis-à-vis, the statement on the purpose should be distributed to the attendees in the form of leaflets. The statement on purpose should serve as an introduction to all disclosure meetings, in order to ensure that PAPs understand what their potential entitlements are and that there are no impacts on their prior acceptance or rejection of the expropriation agreement and the compensation amounts received.

Part of the disclosure meeting should be dedicated to presentation of project-specific grievance mechanism and available venues for submitting grievances.

A period of 15 days will be allowed aimed for insight into the draft RAP and enquiries and comments via the Corridors of Serbia designated channels of communication. Responses to the raised questions and enquiries shall be via official correspondence. After the disclosure period, all comments received will be evaluated and incorporated into the final RAP.

## 8 Grievance Redress Mechanism

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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](mailto: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;
- Expertise grievance: 1 grievance;
- Payment delay: 1 grievance.

All grievances are currently in the grievance investigation phase. In addition to these, there are 64 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 15 below.

Table 15 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 Public 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

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### 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

Almost two thirds of interviewed landowners are older than 65 years. There are 33 households with one and two members, where all members are 65 years and older (27 one-member households and 6 two-member households).

b) Households with Members that Require Special Assistance

37 households reported that they have care-dependant members. In the majority of them (91,9%), one household member requires special care, while in the remaining cases two household members are considered care-dependant. In most cases, special care is required due to old age (40,0%), followed by chronic illness (30,0%) and disability (15,0%).

c) Low Income

11,4% of the surveyed households answered that their households have no income at all, while 16,2% of the respondents 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 there 19 one-member households with female members (7,0%). 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 16 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 16 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 <sup>12</sup>	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

<sup>12</sup> 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

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### 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.

The Contractor will notify Corridors of Serbia of any upcoming need for temporary occupancy of land along with the draft lease agreement with the landowner. The lease agreement will be subject to Corridors of Serbia prior No Objection to ensure that the provisions of the contract follow the principles of this RAP.

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**

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### **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 and 2020.

## **Appendix A**

### **Sample Grievance Form**

# A1 Sample Grievance Form

Public Grievance Form (Sample)

<b>Date</b>	
<b>Full Name</b>	<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>
<b>Please mark how you wish to be contacted (mail, telephone, e-mail).</b>	<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>
<b>Province/Town/Settlement</b>	
<b>Category of the Grievance</b>	
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):	

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

## **Appendix B**

### Housing Structure and Land Market Prices

## **B1 Housing Structure 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 17 below shows the asking prices for land and structures in municipalities Cicevac and Varvarin and the City of Krusevac, that were available at the time of preparation of this report.

Table 17 Housing Structures and Land Market Prices

<b>Municipality</b>	<b>Asset on Sale</b>	<b>Asking Price (EUR/m<sup>2</sup>)</b>
Cicevac	Parcel along the main road Cicevac – Krusevac, urban location	3,5 EUR/m <sup>2</sup>
Cicevac	Plot in the industrial zone, in a busy area, suitable for business premises	3,2 EUR/m <sup>2</sup>
Cicevac	Three-room house, wider city centre, 80 m <sup>2</sup>	375 EUR/m <sup>2</sup>
Cicevac	Three-room house, 300 m <sup>2</sup>	63 EUR/m <sup>2</sup>
Pojate	Two houses on the same parcel, a165 m <sup>2</sup>	152 EUR/m <sup>2</sup>
Stalac	Five-room house. 133 m <sup>2</sup> with 2000 m <sup>2</sup> of land (including: garage, workshop, summer kitchen, stable).	207 EUR/m <sup>2</sup>
Varvarin	House in central location, 650m <sup>2</sup>	500 EUR/m <sup>2</sup>
Krusevac	Agricultural land, 6.600 m <sup>2</sup>	2,42 m <sup>2</sup>
Krusevac, Jasika	Construction land, 1.700 m <sup>2</sup>	5,88 m <sup>2</sup>
Krusevac	Agricultural land, 6.300 m <sup>2</sup>	1,42 m <sup>2</sup>
Makresane	House, 50 m <sup>2</sup> , on 800 m <sup>2</sup> parcel, well with water pump	220 EUR/m <sup>2</sup>

Citluk	House, 150 m <sup>2</sup>	81 EUR/m <sup>2</sup>
Lazarica	Five-rooms house, 230 m <sup>2</sup> urban location	140 EUR/m <sup>2</sup>
Lazarica	House, 200 m <sup>2</sup> on 530 m <sup>2</sup> , parcel	530 EUR/m <sup>2</sup>

## Appendix C

### Maps

# C1 Maps

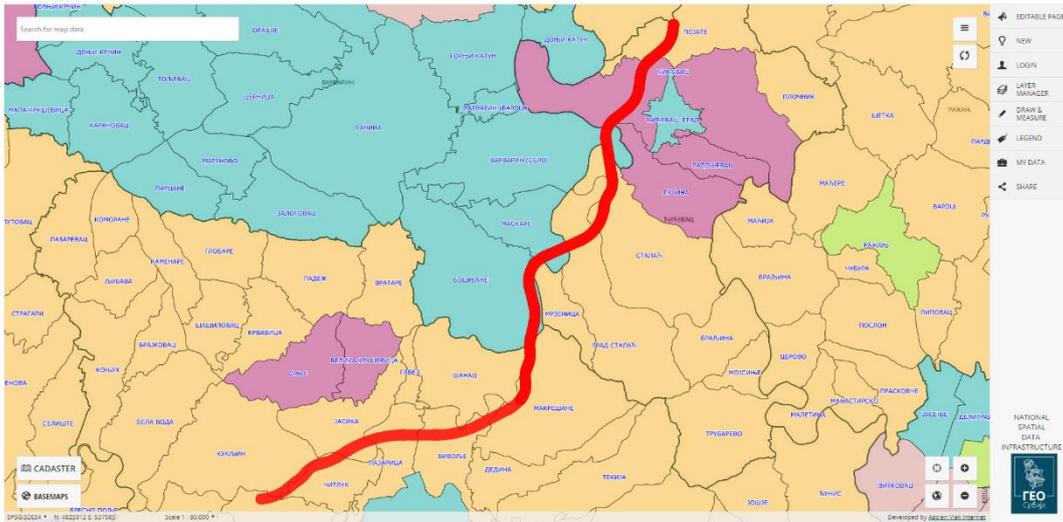


Figure 15 Sector 1 Road Alignment with Municipalities' Borders

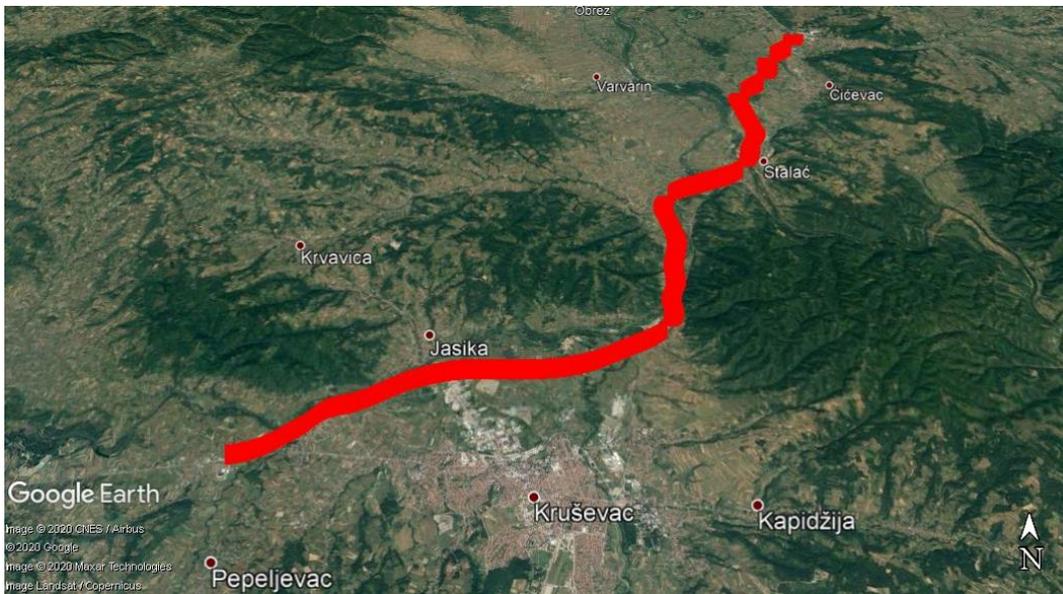


Figure 16 Road Alignment