

Corridors of Serbia
**Morava Corridor Motorway
Project**
Resettlement Action Plan

4-01

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Abbreviation List

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

Glossary

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

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

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

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

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

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

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

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

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

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

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

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

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

PROJECT AFFECTED AREA. In the context of this RAP, project affected area is considered to be the territory of the City of Krusevac, City of Kraljevo, Municipality Trstenik and Municipality Vrnjacka Banja.

REPLACEMENT COST. For agricultural land, replacement cost is the pre-project market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. For land in urban areas, it is the pre-project market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes. For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labour and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not considered, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. It also includes costs for levelling or other preparation for new construction or use. Costs are calculated based on the time at which the asset is being replaced, if not, inflation is considered in calculating costs.

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

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

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

Context of this Document

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

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

Executive Summary

This Resettlement Action Plan (RAP) is prepared for Sector 2 of Morava Corridor Highway Project (Krusevac - Adrani), with the main objective of identifying all impacts associated with land acquisition for the purposes of this Project.

According to the data received by the Real Estate Cadastre, there are 5,696 parcels affected by expropriation on Sector 2. Further processing of data (i.e., reducing this number by parcels affected by administrative transfers¹ (684) and considering cases where the same person(s) owned multiple parcels as one case (additionally reducing the total number of affected parcels by 1,768)) resulted in the total number of 3,244 affected parcels. It should be noted that not all parcels are affected by land acquisition with their entire surface. Information on smallest, largest and average affected area for each cadastral municipality is presented in Chapter 5.1. Based on the data from the Real Estate Cadaster and as confirmed during the survey, the main impacts associated with land acquisition on this sector can be divided into the following categories: loss of residential structures, loss of business structures, loss of auxiliary structures and loss of land.

Table 1 Summary of Impacts

Impact		Number of affected structures /land parcels	Affected households
Loss of potentially residential structures ²	Structures used as permanent residence	45	50
	Weekend houses and structures not used for permanent residence	24	34
	Total	69	84
Loss of business structures		7	12
Loss of auxiliary structures		197	236
Loss of land		5,696	NA ^(**)

¹ Transfer from one public ownership to another.

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

(**) 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 2 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' requirements³ and sets out actions on how to bridge them, through provision of adequate compensations and assistance to eligible project affected persons, as outlined in Chapter. 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.

³ IFC Performance Standards (PS) on Environmental and Social Sustainability 2012 (PS5 "Land Acquisition and Involuntary Resettlement"), World Bank requirements of Environmental and Social Framework (ESF) (Environmental and Social Safeguard 5), IFC Good Practice Handbook: Land Acquisition and Resettlement, 2019

1 Scope of the Resettlement Action Plan

1.1 Introduction

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

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

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

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

1.2 About this Document

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

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

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

This RAP specifies the following:

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

1.3 Methodology

The methodology applied during the preparation of this document is the combination of desktop analysis of available secondary data and the analysis of primary data collected during the site visits to the City of Krusevac and City of Kraljevo (that are within sector 2) and municipalities Trstenik and Vrnjacka Banja between 28th September and 27th October 2020, 1st March and 12th March, 16th August and 27th August, as well as through telephone interviews conducted between January 2021 and March 2021.

The scope of work undertaken during the RAP preparation includes:

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

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

Table 2 Target Sample Sizes for Socio-Economic Survey

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

As per the initial desktop data, there are 85 affected structures on Sector, which fall under Category 1 from Table 2 above, and who are majorly impacted. The RAP survey was used to verify and update this data in terms of defining whether the structure was used for residential purposes. The survey sample included all affected owners, however the results show 95.7% completion instead of 100%, due to unwillingness of respondents to participate in the survey, or the fact they do not live in the same municipalities their land belongs to, and so they could not be contacted to participate in the survey.

Table 3 Information on Parcels with Affected Structures, based on the information from the Cadastre register and survey results

	Residential Structures	Business Structures	Weekend Houses and Garden Cottages
No. of Parcels	45	7	24
No. of Parcel Owners	50	12	34
The simple sum of number of parcels is 76. However, there are 2 cases when parcels are affected by loss of two type of structures (residential and business) and are therefore counted in both categories.			

According to the data received from the Real Estate Cadastre, there are 5,696 land parcels affected by expropriation on Sector 2. This information on the affected parcels for each cadastral municipality on the territory of the City of Krusevac and City of Kraljevo and municipalities Vrnjacka Banja and Trstenik, was reduced by

the number of parcels affected by administrative transfers (i.e., cases when the affected parcels were transferred from one public owner to another), in order to determine the sample size for each cadastral municipality. Additionally, cases where the same person(s) owned multiple parcels were considered as one case.

Following the abovementioned methodology, the Consultant determined target sample size for categories 2 and 3 from the Table 2, for each of the affected cadastral municipalities (CM). As shown in the Table 4, the target sample size was reached in every cadastral municipality, except in CM Adrani and Gornji Ribnik, due to the unwillingness of PAPs to participate in the survey. There were a few cases when it was determined during the interviews with the respondent, that they, or another member from their household, own several land parcels affected by the Project in the same or several different cadastral municipalities on Sector 2. In such cases, they were marked as a “conducted survey” for each parcel. Additionally, defined target numbers were exceeded in some of the cadastral municipalities, where PAPs showed higher interest to participate in the survey and approached the surveying team.

Table 4 Determination of the Target Sample Size

Cadastral Municipality (CM)	Total Number of Parcels as Received from Real Estate Cadastre (a)	Number of administrative transfers	Number of Affected Owners				Target Sample Size		Number of Conducted Surveys	
			Major impact (b)	Medium Impact (c)	Minor Impact (d)	Total (b+c+d)	Medium Impact	Minor Impact	Medium Impact	Minor Impact
City of Kraljevo										
Adrani	10	3	0	5	2	7	1	1	0	1
Grdica	164	61	0	33	20	53	7	2	7	2
Kraljevo	172	75	0	41	16	57	8	2	8	2
Oplanici	84	9	1	19	28	48	4	3	4	3
Ratina	140	20	0	45	44	89	9	4	11	4
Sirca	322	20	1	128	59	188	26	6	27	6
Vitanovac	35	9	0	4	19	23	1	2	1	2
Vrba	115	11	0	42	39	81	8	4	8	4
Zaklopaca	255	24	5	86	59	150	18	6	19	6
City of Krusevac										
Bela Voda	215	10	0	88	59	147	18	6	18	7
Konjuh	148	14	0	53	51	104	11	5	12	5

Cadastral Municipality (CM)	Total Number of Parcels as Received from Real Estate Cadastre (a)	Number of administrative transfers	Number of Affected Owners				Target Sample Size		Number of Conducted Surveys	
			Major impact (b)	Medium Impact (c)	Minor Impact (d)	Total (b+c+d)	Medium Impact	Minor Impact	Medium Impact	Minor Impact
Kukljin	367	12	0	137	80	217	27	8	28	13
Pepeljevac	115	12	0	35	30	65	7	3	7	3
Municipality Vrnjacka Banja										
Gracac	194	18	0	69	40	109	14	4	14	4
Novo Selo	349	22	10	92	80	182	20	8	20	10
Podunavci	94	4	1	21	27	49	5	3	5	3
Rudjinci	145	28	3	43	30	76	9	3	9	3
Stulac	196	14	9	65	44	118	15	4	15	5
Vrnjacka Banja	362	38	17	83	83	183	19	9	19	9
Vranesi	107	10	3	27	23	53	6	2	6	2
Municipality Trstenik										
Bogdanje	272	42	2	74	78	154	15	8	18	13
Cairi	68	2	0	13	33	46	2	3	2	3
Donji Ribnik	18	2	0	0	11	11	0	1	0	1

Cadastral Municipality (CM)	Total Number of Parcels as Received from Real Estate Cadastre (a)	Number of administrative transfers	Number of Affected Owners				Target Sample Size		Number of Conducted Surveys	
			Major impact (b)	Medium Impact (c)	Minor Impact (d)	Total (b+c+d)	Medium Impact	Minor Impact	Medium Impact	Minor Impact
Gornji Ribnik	58	28	0	20	3	23	1	2	0	0
Grabovac	55	7	0	6	34	40	1	3	1	3
Lozna	7	2	0	1	4	5	1	1	1	1
Medvedja	440	22	4	135	109	248	27	11	29	13
Odzaci	184	20	0	54	67	121	11	7	11	7
Pocekovina	25	2	0	9	9	18	2	1	2	1
Seliste	215	16	1	62	74	137	12	8	15	9
Trstenik	525	103	16	122	146	284	27	15	27	15
Velika Drenova	240	20	3	81	74	158	16	8	16	10
Total	5,696	684	76	1,693	1,475	3,244	348	153	360	170

2 Project Description and Potential Project Impacts

2.1 About the Project

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



Figure 1 Project Alignment

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

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

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

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

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

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

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

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

2.2 Affected Communities

Sector 2 road alignment passes through the area administratively covered by the City of Krusevac and the City of Kraljevo and municipalities Vrnjacka Banja and Trstenik. According to administrative division of the Republic of Serbia, Krusevac, Kraljevo, Vrnjacka Banja and Trstenik encompass within their boundaries smaller settlements – villages and city municipalities (please see Appendix C for maps). On the other hand, cadastral municipalities record property ownership in the cadastre and show boundary lines of the real estate. In most cases, the territory of a cadastral municipality overlaps with the territory of a settlement (Table 5). Cadastral parcel is defined as basic cadastral territorial unit and represents a part of the land in the cadastral municipality determined by the border and marked with a unique number, over which there is a right of ownership. One person can have the ownership right over more than one parcel. Similarly, one parcel can be owned by more than one owner (co-ownership). It should be noted that, in this case, the co-owners do not always have equal shares of the parcel. The right of ownership is divided, and each of the co-owners has a certain, so-called ideal part, represented by a fraction or a percentage.

Table 5 List of Municipalities and Cadastral Municipalities

City	Settlement (city municipality or village)	Cadastral Municipality (CM)
City of Kraljevo	Adrani	CM Adrani
	Grdica	CM Grdica
	Kraljevo	CM Kraljevo
	Oplanici	CM Oplanici
	Ratina	CM Ratina
	Sirca	CM Sirca
	Vitanovac	CM Vitanovac
	Vrba	CM Vrba
	Zaklopaca	CM Zaklopaca
City of Krusevac	Bela Voda	CM Bela Voda
	Konjuh	CM Konjuh
	Kukljin	CM Kukljin
	Pepeljevac	CM Pepeljevac
Municipality Vrnjacka Banja	Gracac	CM Gracac
	Novo Selo	CM Novo Selo
	Podunavci	CM Podunavci
	Rudjinci	CM Rudjinci
	Stulac	CM Stulac
	Vrnjacka Banja	CM Vrnjacka Banja
	Vranesi	CM Vranesi
Municipality Trstenik	Bogdanje	CM Bogdanje
	Cairi	CM Cairi
	Donji Ribnik	CM Donji Ribnik
	Gornji Ribnik	CM Gornji Ribnik
	Grabovac	CM Grabovac
	Lozna	CM Lozna
	Medvedja	CM Medvedja
	Odzaci	CM Odzaci
	Pocekovina	CM Pocekovina
	Seliste	CM Seliste
	Trstenik	CM Trstenik
	Velika Drenova	CM Velika Drenova

Kraljevo, Krusevac and Vrnjacka Banja have experienced an increase in the number of population in the last half a century, while Trstenik has lost more than 15% of its inhabitants between 1971 and 2011. Changes in the number of inhabitants are related to the processes of industrialization, which was

characteristic for the more urbanized, municipality centres. In all four urban centres, the number of population increased significantly between the two census: the number of inhabitants in the City of Kraljevo almost doubled, in the City of Krusevac it increased by 77.3%, and in the municipal centres Vrnjacka Banja and Trstenik it increased by slightly more of half. The decline in the number of inhabitants in other settlements was relatively moderate in City of Krusevac and City of Kraljevo and Municipality Vrnjacka Banja, while it was more notable in Municipality Trstenik. Rural settlements located in the vicinity of municipal centres also experienced growth in population. Contrary to that, the number of population in rural areas, remote villages and settlements has been declining. These demographic trends are common for almost every municipality in the Republic of Serbia.⁴

Table 6 Comparative Overview of the Number of Population

City	Number of Population in 1971	Number of Population 2011
City of Kraljevo	106,153	125,488
Urban	38,760	68,749
Rural	67,393	56,739
Adrani	1,709	2,232
Grdica	1,137	819
Kraljevo	36,484	64,175
Oplanici	935	899
Ratina	1,780	3,210
Sirca	1,435	1,338
Vitanovac	1,872	1,524
Vrba	1,004	1,366
Zaklopaca	692	1,165
City of Krusevac	118,016	128,752
Urban	29,509	58,745
Rural	88,507	70,007
Bela Voda	1,512	1,217
Konjuh	1,362	1,014
Kukljin	2,141	1,535
Pepeljevac	1,933	2,175
Municipality Vrnjacka Banja	21,940	27,527
Urban	6,520	10,065
Rural	15,420	17,462
Gracac	2,129	1,833

⁴ 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 79, 81, 83)

City	Number of Population in 1971	Number of Population 2011
Novo Selo	2,651	4,461
Podunavci	1,070	1,502
Rudjinci	1,335	2,466
Stulac	878	1,185
Vrnjacka Banja	6,520	10,065
Vranesi	1,487	1,400
Municipality Trstenik	50,624	42,966
Urban	9,957	15,282
Rural	40,667	27,684
Bogdanje	2.129	1.833
Cairi	2.651	4.461
Donji Ribnik	471	537
Gornji Ribnik	578	562
Grabovac	1.168	131
Lozna	428	336
Medvedja	3.404	2.270
Odzaci	1.696	1.370
Pocekovina	1.041	754
Seliste	1.083	857
Trstenik	9.957	15.282
Velika Drenova	3.217	2.363
Total	486,318	562,271

In some cases, the changes in the number of populations are a consequence of administrative decisions, i.e. changes in the boundaries of individual cadastral municipalities. This can be an explanation for the extremely large decrease in the number of inhabitants, as well as in the number of housing units in CM Grabovac, or for the extremely large increase in the number of inhabitants in several cadastral municipalities (CM Cairi, CM Novo Selo, CM Ratina). The total number of households has been increasing for two reasons. The primary reason is separation of generations and establishment of separate households independently from parental homes in the same or different settlement. 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.⁵ Rural settlements in the close vicinity of the municipal centres do experience demographic growth, which is a consequence of the tendency of inhabitants of more distant settlements to bring their lives closer to the municipal centres.

⁵ 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 136, 140, 144)

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

City	Number of Dwellings in 1971	Number of Dwellings 2011
City of Kraljevo	29,446	42,028
Urban	12,362	23,568
Rural	17,084	18,468
Adrani	442	726
Grdica	308	251
Kraljevo	11,677	22,106
Oplanici	230	289
Ratina	443	983
Sirca	385	436
Vitanovac	482	398
Vrba	289	432
Zaklopaca	188	341
City of Krusevac	31,668	40,947
Urban	9,784	20,369
Rural	31,884	20,578
Bela Voda	368	311
Konjuh	308	273
Kukljin	500	455
Pepeljevac	479	586
Municipality Vrnjacka Banja	6,440	9,310
Urban	2,302	3,770
Rural	4,138	5,549
Gracac	563	595
Novo Selo	706	1,331
Podunavci	298	454
Rudjinci	384	787
Stulac	208	390
Vrnjacka Banja	2,302	3,770
Vranesi	400	451
Municipality Trstenik	12,717	14,342
Urban	3,110	5,716
Rural	9,607	8,626
Bogdanje	293	292
Cairi	27	145
Donji Ribnik	109	164

City	Number of Dwellings in 1971	Number of Dwellings 2011
Gornji Ribnik	133	173
Grabovac	325	50
Lozna	96	115
Medvedja	828	722
Odzaci	312	432
Pocekovina	256	216
Seliste	246	228
Trstenik	3.110	5.716
Velika Drenova	815	708

When analysing the data on dwelling for permanent habitation according to the occupancy, we see that in all municipalities as well as in settlements in the area impacted by the Project, the proportion of dwellings for permanent habitation which are currently not being used and are abandoned or empty is relatively high, particularly in rural areas.⁶

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

City	Total number of dwellings	Occupied	Temporarily unoccupied or abandoned	Used occasionally (for vacation, recreation and during seasonal agricultural works)	Other ⁷
City of Kraljevo	53,367	41,358	8,607	3,258	393
Urban	27,538	23,213	3,839	387	227
Rural	25,829	18,145	4,769	2,871	166
Adrani	835	713	95	24	11
Grdica	314	250	35	29	0
Kraljevo	25,570	21,825	3,521	130	214
Oplanici	414	285	56	73	2
Ratina	1,316	975	260	78	8
Sirca	605	432	140	33	2
Vitanovac	634	490	101	43	7
Vrba	583	424	99	60	4

⁶ 2011 Census of Population, Households and Dwellings in the Republic of Serbia. Number and the Floor Space of Housing Units. Data by settlements. Book 22. Belgrade 2013. (pages 226, 242 ,240 ,234)

⁷This number includes the following categories: structures used only for performing activities, occupied business premises, premises occupied from necessity, collective housing units.

City	Total number of dwellings	Occupied	Temporarily unoccupied or abandoned	Used occasionally (for vacation, recreation and during seasonal agricultural works)	Other ⁷
Zaklopaca	431	325	66	38	3
City of Krusevac	51,556	40,083	9,399	1,768	523
Urban	24,205	19,869	4,057	91	270
Rural	27,351	20,214	5,342	1,667	253
Bela Voda	401	309	63	29	1
Konjuh	401	262	118	15	11
Kukljin	568	445	74	47	6
Pepeljevac	751	578	126	46	2
Municipality Vrnjacka Banja	53,367	41,358	8,607	3,258	158
Urban	27,538	23,213	3,839	387	105
Rural	25,829	18,145	4,769	2,871	53
Gracac	918	590	210	112	9
Novo Selo	1.652	1.313	268	62	17
Podunavci	549	445	93	9	5
Rudjinci	1.127	748	134	243	5
Stulac	511	365	82	64	3
Vrnjacka Banja	8.118	3.722	1.876	2.427	105
Vranesi	579	438	138	3	1
Municipality Trstenik	17,788	13,618	3,370	739	163
Urban	6,364	5,324	935	78	68
Rural	11,424	8,294	2,435	661	95
Bogdanje	343	291	37	14	1
Cairi	187	128	34	25	0
Donji Ribnik	224	163	53	7	1
Gornji Ribnik	173	143	27	3	2
Grabovac	58	42	12	4	10
Lozna	164	115	46	1	0
Medvedja	1.123	711	372	34	12
Odzaci	526	420	85	19	7

City	Total number of dwellings	Occupied	Temporarily unoccupied or abandoned	Used occasionally (for vacation, recreation and during seasonal agricultural works)	Other⁷
Pocekovina	273	213	49	11	66
Seliste	326	226	82	17	3
Trstenik	8.364	5.324	935	78	68
Velika Drenova	870	691	129	49	10

According to the national Bureau of Statistics, the average net salary (without taxes and contributions) in June 2020 at national level was at RSD 59,740 (approx. EUR 505), while the employees in the City of Kraljevo earned RSD 49,692 (approx. EUR 423), in the City of Krusevac RSD 50,858 (approx. EUR 431), in the Municipality Vrnjacka Banja RSD 45,474 (approx. EUR 385) and in Municipality Trstenik RSD 45,435 (approx. 385).

2.3 Project Impacts and Risks

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

Table 9 Project Impacts and Risks

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

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

Impact	Risk / Description
Operational phase	
Loss of access to property	Permanent loss of access to property due to disconnected or severely damaged rural roads ⁸
Economic displacement	Loss of agricultural production from traffic nuisances and inadequately designed/performed construction works (dust, flooding due to poor drainage systems, land contamination)

⁸ As adaptive design management approach is implemented on the Project, it is not expected that the number of people affected by permanent loss of access to property will be significant.

3 Legal Framework

3.1 National Legislation Requirements

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

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

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

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

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

3.2 Summary of Applicable Requirements

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

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

- to make special provisions for assisting disadvantaged or vulnerable individuals and/or groups (present in the project affected area at the time of the cut-off date) that may be more adversely affected by displacement than others and who may be limited in their ability to claim or take advantage of livelihood restoration assistance and related development benefits,
- to engage with the stakeholders at an early stage of the Projects and establish an efficient grievance mechanism.

3.3 Summary of Main Gaps between National Legislation and Applicable Requirements

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

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

4 Principles, Objectives, Processes

4.1 Principles and Objectives

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

The objectives of this document are:

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

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

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

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

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

4.2 Process Overview

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

1. Establishment of the Public Interest

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

2. Delineation in the Field of Project Footprint

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

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:

- 18th February 2020, 13h in the premises of the City of Krusevac
- 18th February 2020, 16h in the premises of People's University Trstenik
- 19th February 2020, 15h in the premises of the City of Kraljevo
- 19th February 2020, 10h in the premises of the Municipality Vrnjaska Banja

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

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

6. Socio-economic survey

The Consultant performed the collection of primary data during the site visits to the City of Krusevac and City of Kraljevo (that are within sector 2) and municipalities Trstenik and Vrnjacka Banja, between 28th September and 27th October 2020, 1st March and 12th March, 16th August and 27th August, and as well as through telephone interviews conducted between January 2021 and March 2021. This data was used to determine type of impacts on the communities in the Project area and define the entitlements matrix.

5 Affected Assets, Affected People and Entitlements

Table 10 below shows information on the affected land on Sector 2, as per information received from Real Estate Cadastre. The available data indicated that agricultural land is most affected in almost all cadastral municipalities, with an exception of those in the closest vicinity to municipality centres.

Table 10 Land Use of the Affected Parcels

Cadastral Municipality (CM)	Total area of parcels (ha)	Total area affected (ha)	Smallest affected area (ha)		Largest affected area (ha)		Average affected area (ha)	Land Use							
			Private	Public	Private	Public		Agricultural Land		Construction Land ⁹		Other ¹⁰		Forest	
								No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)
City of Kraljevo															
Adrani	12.72	0.84	0.0035	0.023	3.02	0.0458	0.08	0	0	6	0.32	4	0.52	1	0.17
Grdica	54.57	16.14	0.0001	0.0001	0.56	0.40	0.09	0	0	144	16.14	0	0	0	0

⁹ Land zoned for construction

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

Cadastral Municipality (CM)	Total area of parcels (ha)	Total area affected (ha)	Smallest affected area (ha)		Largest affected area (ha)		Average affected area (ha)	Land Use							
			Private	Public	Private	Public		Agricultural Land		Construction Land ⁹		Other ¹⁰		Forest	
								No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)
Kraljevo	326.22	25.35	0.0008	0.0001	3.43	1.15	0.14	0	0	172	25.35	0	0	0	0
Oplanici	112.55	16.43	0.0004	0.02	1.59	1.04	0.19	5	0.14	57	12.96	14	2.11	8	1.21
Ratina	84.57	20.02	0.0001	0.0029	1.45	0.26	0.14	17	1.84	105	16.19	9	0.96	9	1.01
Sirca	255.89	67.23	0.0001	0.012	1.17	1.63	0.20	9	1.40	269	54.18	29	8.38	15	3.26
Vitanovac	51.86	3.51	0.0001	0.0014	0.40	0.77	0.10	24	1.32	4	0.76	7	1.42	0	0
Vrba	43.50	12.70	0.0001	0.017	0.62	1.16	0.11	100	10.54	8	0.35	6	1.80	1	0.0039

Cadastral Municipality (CM)	Total area of parcels (ha)	Total area affected (ha)	Smallest affected area (ha)		Largest affected area (ha)		Average affected area (ha)	Land Use							
			Private	Public	Private	Public		Agricultural Land		Construction Land ⁹		Other ¹⁰		Forest	
								No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)
Zaklopaca	105.26	36.65	0.0001	0.0012	0.87	0.68	0.14	210	33.00	24	1.67	19	1.87	2	0.09
City of Krusevac															
Bela Voda	59.45	23.57	0.0001	0.0017	0.60	0.18	0.11	206	22.97	1	0.12	7	0.32	1	0.14
Konjuh	88.45	18.71	0.0001	0.0001	0.09	0.38	0.12	130	17.14	0	0	14	1.05	0	0
Kukljin	100.32	22.01	0.0001	0.02	0.53	0.74	0.06	344	19.80	0	0	19	1.91	4	0.29
Pepeljevac	25.08	9.01	0.0001	0.0004	0.32	1.40	0.07	106	7.01	2	0.017	7	1.98	0	0

Cadastral Municipality (CM)	Total area of parcels (ha)	Total area affected (ha)	Smallest affected area (ha)		Largest affected area (ha)		Average affected area (ha)	Land Use							
			Private	Public	Private	Public		Agricultural Land		Construction Land ⁹		Other ¹⁰		Forest	
								No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)
Municipality Vrnjacka Banja															
Gracac	54.37	24.76	0.0001	0.0006	0.70	0.20	0.12	No info provided	No info provided	No info provided	No info provided	No info provided	No info provided	No info provided	No info provided
Novo Selo	125.52	41.56	0.0001	0.0012	1.22	0.74	0.11	263	32.40	29	3.29	51	4.94	6	0.92
Podunavci	58.29	15.80	0.0001	0.047	1.30	0.19	0.16	69	13.97	9	0.74	15	0.83	1	0.04
Rudjinci	38.58	9.28	0.0001	0.0024	0.42	0.42	0.06	112	7.17	10	0.59	17	1.39	6	0.13
Stulac	52.38	21.50	0.0001	0.0003	1.14	0.80	0.10	No info provided	No info provided	No info provided	No info provided	No info provided	No info provided	No info provided	No info provided

Cadastral Municipality (CM)	Total area of parcels (ha)	Total area affected (ha)	Smallest affected area (ha)		Largest affected area (ha)		Average affected area (ha)	Land Use							
			Private	Public	Private	Public		Agricultural Land		Construction Land ⁹		Other ¹⁰		Forest	
								No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)
Vrnjacka Banja	93.33	32.48	0.0001	0.0001	0.78	0.81	0.09	194	16.79	111	13.26	43	1.93	11	0.48
Vranesi	54.04	17.19	0.0003	0.0006	1.17	0.09	0.16	77	14.84	13	1.10	14	0.49	3	0.74
Municipality Trstenik															
Bogdanje	84.87	23.60	0.0003	0.0006	0.63	2.94	0.09	233	18.82	0	0	25	4.78	0	0
Cairi	21.05	4.48	0.0003	0.016	0.31	0.016	0.06	66	4.46	0	0	2	0.02	0	0
Donji Ribnik	3.47	0.60	0.0001	0.005	0.08	0.07	0.03	12	0.41	0	0	6	0.18	0	0

Cadastral Municipality (CM)	Total area of parcels (ha)	Total area affected (ha)	Smallest affected area (ha)		Largest affected area (ha)		Average affected area (ha)	Land Use							
			Private	Public	Private	Public		Agricultural Land		Construction Land ⁹		Other ¹⁰		Forest	
								No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)
Gornji Ribnik	10.21	2.46	0.0005	0.0001	0.17	1.01	0.04	27	0.02	2	1.01	29	0.86	0	0
Grabovac	28.20	1.88	0.0001	0.0008	0.39	0.58	0.03	43	0.74	0	0	12	1.14	0	0
Lozna	28.64	2.27	0.02	0.71	0.22	1.21	0.32	2	0.24	0	0	5	2.02	0	0
Medvedja	154.13	49.78	0.0001	0.0009	1.45	4.14	0.11	356	33.48	2	0.001	57	13.16	19	3.00
Odzaci	51.92	11.35	0.0001	0.0033	0.40	0.38	0.06	163	9.72	0	0	21	1.62	0	0
Pocekovina	3.12	1.00	0.0001	0.007	0.15	0.02	0.04	23	0.96	1	0.02	1	0.007	0	0

Cadastral Municipality (CM)	Total area of parcels (ha)	Total area affected (ha)	Smallest affected area (ha)		Largest affected area (ha)		Average affected area (ha)	Land Use							
			Private	Public	Private	Public		Agricultural Land		Construction Land ⁹		Other ¹⁰		Forest	
								No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)	No. of parcels	Affected area (ha)
Seliste	72.87	16.71	0.0001	0.007	0.57	0.36	0.07	199	15.64	0	0	15	1.05	1	0.01
Trstenik	464.40	48.91	0.0001	0.0003	3.23	3.44	0.09	0	0	524	48.91	0	0	0	0
Velika Drenova	81.86	22.90	0.0001	0.0001	0.87	0.09	0.09	219	22.24	0	0	18	0.63	1	0.01

5.1 Categorization of Impacts

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

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

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

According to the information initially received from Real Estate Cadastre, there are 5,696 land parcels affected by expropriation on Sector 2. In further processing of the data, this number was reduced by the number of parcels affected by administrative transfers (i.e., 684 cases when the affected parcels were transferred from one public owner to another). Additionally, the parcels owned by the same owner(s) were considered as one case (which additionally reduced the total number by 1,768), thus reaching the number of 3,244 affected parcels. Table 11 below shows the number of parcels by type of impact in each of the cadastral municipalities on Sector 2.

Table 11 Affected Parcels by Type of Impact

Cadastral Municipality	Major Impact			Medium Impact	Minor Impact
	Potentially Residential Structures	Business Structures	Weekend Houses and Garden Cottages		
City of Kraljevo					
Adrani	0	0	0	5	2
Grdica	0	0	0	33	20
Kraljevo	0	0	0	41	16

Cadastral Municipality	Major Impact			Medium Impact	Minor Impact
	Potentially Residential Structures	Business Structures	Weekend Houses and Garden Cottages		
Oplanici	0	0	1	19	28
Ratina	0	0	0	45	44
Sirca	0	1	0	128	59
Vitanovac	0	0	0	4	19
Vrba	0	0	0	42	39
Zaklopaca	4	1	0	86	59
City of Krusevac					
Bela Voda	0	0	0	88	59
Konjuh	0	0	0	53	51
Kukljin	0	0	0	137	80
Pepeljevac	0	0	0	35	30
Municipality Vrnjacka Banja					
Gracac	0	0	0	69	40
Novo Selo	9	0	1	92	80
Podunavci	1	0	0	21	27
Rudjinci	2	0	1	43	30
Stulac	8	0	1	65	44
Vrnjacka Banja	13	2	2	83	83
Vranesi	1	0	2	27	23

Cadastral Municipality	Major Impact			Medium Impact	Minor Impact
	Potentially Residential Structures	Business Structures	Weekend Houses and Garden Cottages		
Municipality Trstenik					
Bogdanje	1	0	1	74	78
Cairi	0	0	0	13	33
Donji Ribnik	0	0	0	0	11
Gornji Ribnik	0	0	0	20	3
Grabovac	0	0	0	6	34
Lozna	0	0	0	1	4
Medvedja	1	0	3	135	109
Odzaci	0	0	0	54	67
Pocekovina	0	0	0	9	9
Seliste	0	0	1	62	74
Trstenik	5	3	8	122	146
Velika Drenova	0	0	3	81	74
Total	45	7	24	1,693	1,475

45 parcels with residential structure that are impacted by the Project have been identified in the survey, while there are eight cases where PAPs' non-agricultural business structures were affected by expropriation. As for the Project's impact on households that rely on agriculture as a source of livelihood, 69.9% of PAPs reported that they will continue to engage in agriculture, so it can be assumed that the expropriation does not have a great impact on the land-based livelihoods. The table below shows information on PAPs who answered they will not continue to engage in agriculture. However, it should be noted that it is hard to distinguish those who will not be able to do so as a consequence to the Project from those

who are unable to continue with agricultural engagement due to their old age (around half of the surveyed property owners in both are 65 years old and older).

Table 12 Summary of Impacts on Physical and Economic Displacement

	Physical resettlement	Economic displacement – loss of business structures	Economic displacement – land-based livelihoods (PAPs who will not continue to engage in agriculture)
Number of parcels	45	7	147
% in relation to the number of survey parcels	7.4%	1.2%	29.0%
% in relation to the total number of parcels on sector 2	1.4%	0.2%	NA ¹¹

5.2 Census of Affected Assets and Affected Businesses

The alignment on Sector 2 impacts 32 cadastral municipalities (CM) within the administrative areas of the City of Krusevac and the City of Kraljevo and municipalities Trstenik and Vrnjacka Banja.

The socio-economic survey on Sector 2 covered 507 PAPs, representing 507 households and 607 land parcels (some of the PAPs owned more than one parcel) 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

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

- PAPs' health & welfare

5.3 Affected People

Gender and Age Distribution of the Property Owners

There was a total of 507 respondents in the survey: 107 whose land belonged to the territory of the City of Kraljevo, 72 whose land belonged to the territory of the City of Krusevac, 139 whose land is located in Municipality Vrnjacka Banja and 189 in Municipality Trstenik. As shown in the Figure 2, in 77.5% of the survey respondents were the expropriated property owners. The next groups of the respondents according to their representation were spouses of the owners, parents of the owners, and children and grandchildren of the owners.

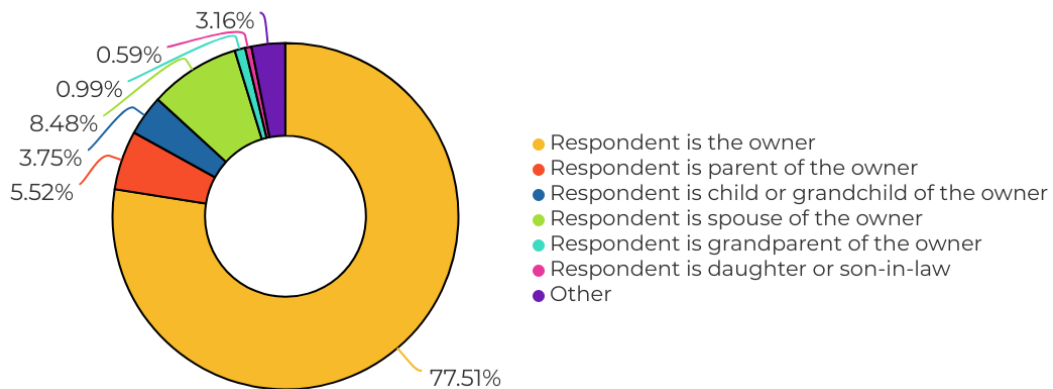


Figure 2 Respondent's Relationship with the Property Owner

As shown in the Figure 3, the majority of property owners are men (80.2%). The gender structure of the surveyed property owners reflects the national traditional ownership structure, with noticeable gender inequalities.

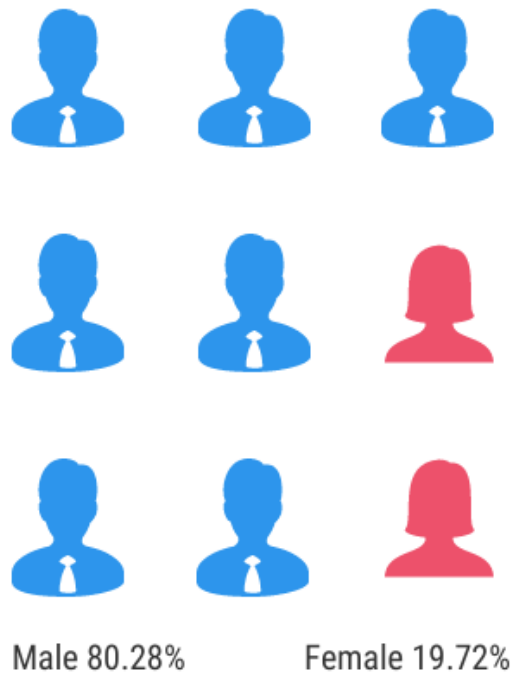


Figure 3 Gender Distribution of the Property Owners

Around half of the surveyed property owners are 65 years old or older (55.3%). The rural settlements are still dominated by the cultural pattern where inheritance is the only succession modality and inter vivo division of assets, regardless of the owners age and working ability, which is the main reason for a low share of younger persons as owners of agricultural land.

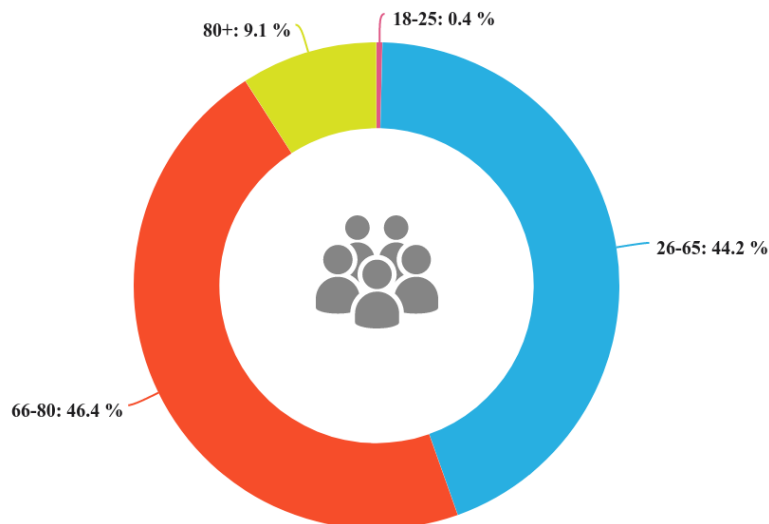


Figure 4 Age Distribution of the Property Owners

Household Structure

37.9% of the surveyed households are large with 5 or more members, among which 1.5% are with 10 or more members. This type of household is, as a rule, composed of three generations. Important function of those households is the care for elderly members, particularly in rural areas where is lower accessibility to health and social-care services, bad local roads and irregular public transport. Only 7.7% of the surveyed households are single-member and 19.7% are two-member households.

Among the surveyed households, one sixth (7.5%) are elderly households, i.e. households without members younger than 65 years old. Out of 39 single-member households, 16 are elderly, and out of 100 two-member households, 22 are elderly (both members are 65 years or older). Elderly households, especially in rural areas, may be considered as potentially vulnerable.

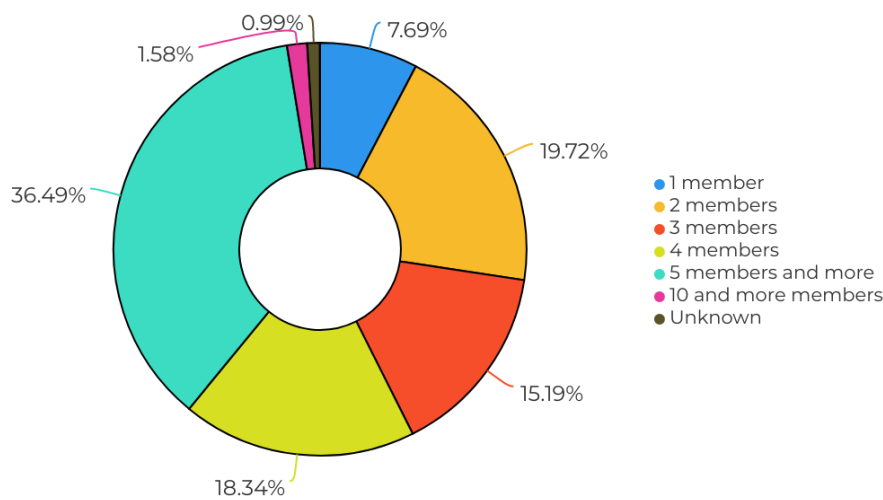


Figure 5 Surveyed Households Size

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.

Almost two-thirds of the surveyed owners (60.5%) are retired. The number of permanently employed owners is 22.5%. Given the percentage of retirees among owners, one-fifth of employed PAPs can be interpreted as a relatively significant share among the remaining surveyed PAPs. On the other hand, 14.0% of the surveyed PAPs stated they are unemployed. The population in rural areas that is generally exposed to high unemployment rate, most commonly engages in the agriculture as a subsidiary source of income. Information on occupation of the head of household is shown in Figure 6 below.

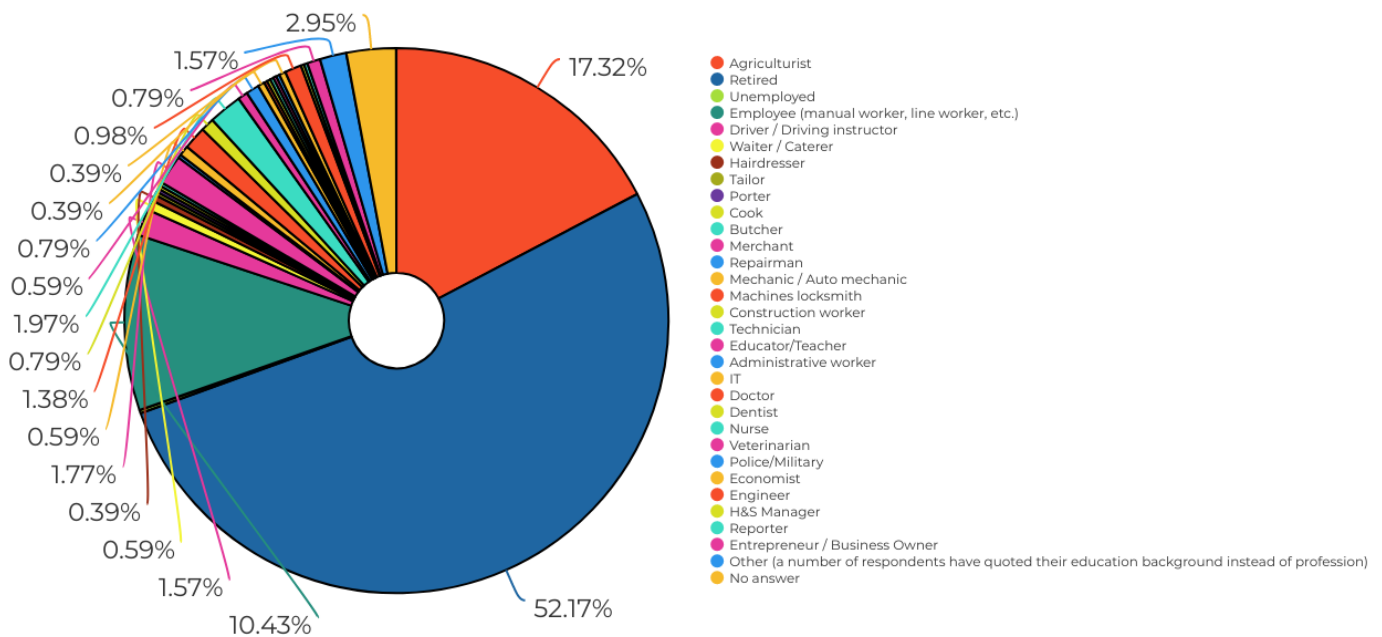


Figure 6 Source of Income of the Head of the Household

In addition to data presented above, information on income sources of all household members that generate income was collected during the survey. 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. By summing all sources of income in 507 surveyed households, we conclude there is a total of 838 income sources in total in the surveyed household, i.e., 1.7 sources of income per household, on average. Most frequent income sources are pensions (65.1% of households), followed by incomes out of job earnings (46.9%) and agricultural production (41.9%). Only 7 among surveyed households confirmed they generate income from property leasing. The number of households that are users of some form of social assistance is relatively small (2.0%).

Although Ecosystem Services Assessment prepared by RINA Consulting indicates PAPs' potential reliance on ecosystem services (e.g., beekeeping, fishing, hunting), there were no households identified in the survey that rely on them for subsistence or as a source of income.

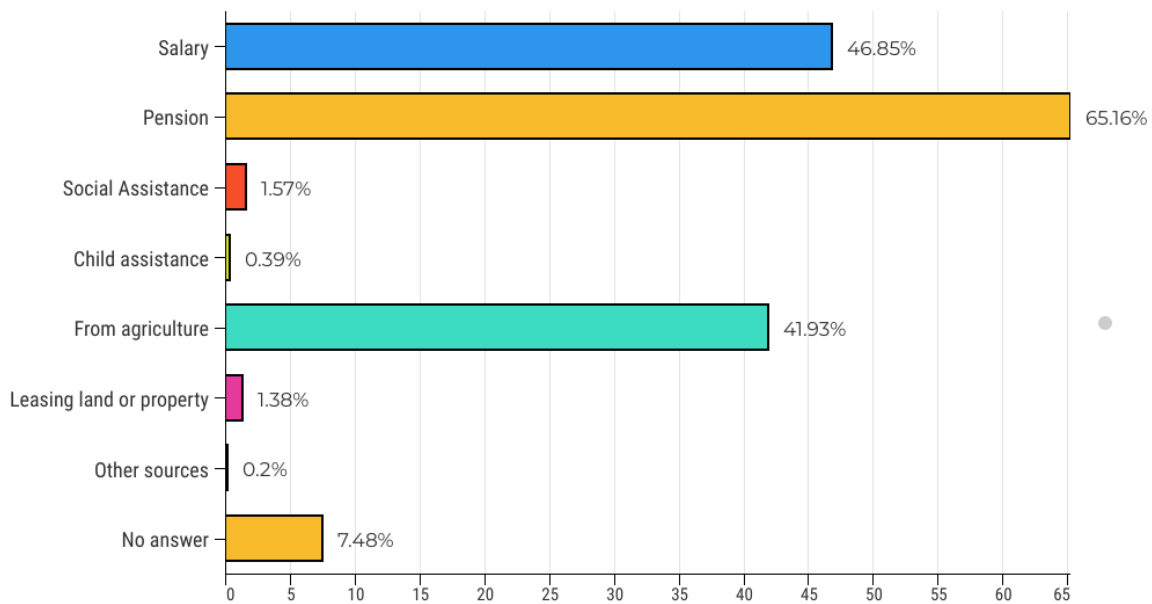


Figure 7 Sources of Income in the Surveyed Households

As it was previously mentioned, 41.9% of surveyed households engage in agriculture as a source of income. However, it can be assumed that the number of PAPs who engage in agriculture as a subsidy to their income is higher, considering that 69.0% of PAPs confirmed that they will continue to engage in agriculture either as a source of income or for personal use, and that 80.5% of the surveyed PAPs live in the same municipality where the expropriated parcel is located, and have the opportunity to regularly cultivate the land.

27.8% of the respondents who answered that they will not be engaged in agriculture either currently not engaged in agriculture, or these are elderly households estimating that difficulties due to old age and illnesses will not allow them to continue with engagement in agriculture.

Self-assessment of the economic status of the households shows that over two-third of surveyed households (67.0%) assessed their economic status as being average, and 3.7% as above average. Only 2.6% of the surveyed households assess their economic position as poor.

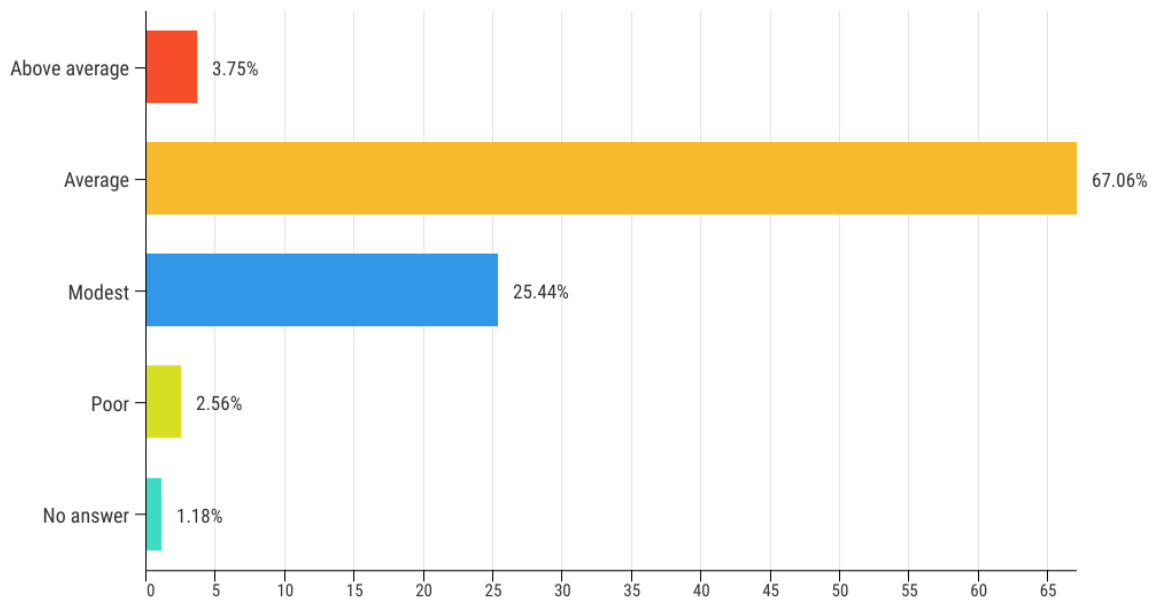


Figure 8 Assessment of the Economic Situation in the Surveyed Households

The answers regarding income amounts should be taken with approximations in all surveys. 9.3% of the respondents answered that their household doesn't have any income at all. This can be interpreted that some households do not consider income generated by agriculture and other environmental services as income and are not in the position to evaluate that income source. Additionally, 33.3% of the surveyed respondents declared that their total monthly income does not exceed RSD 50,000 (approximate 400 EUR). These answers are contradicted with the statistics that in average each household two income sources, and that households self-assess their economic situation as relatively well.

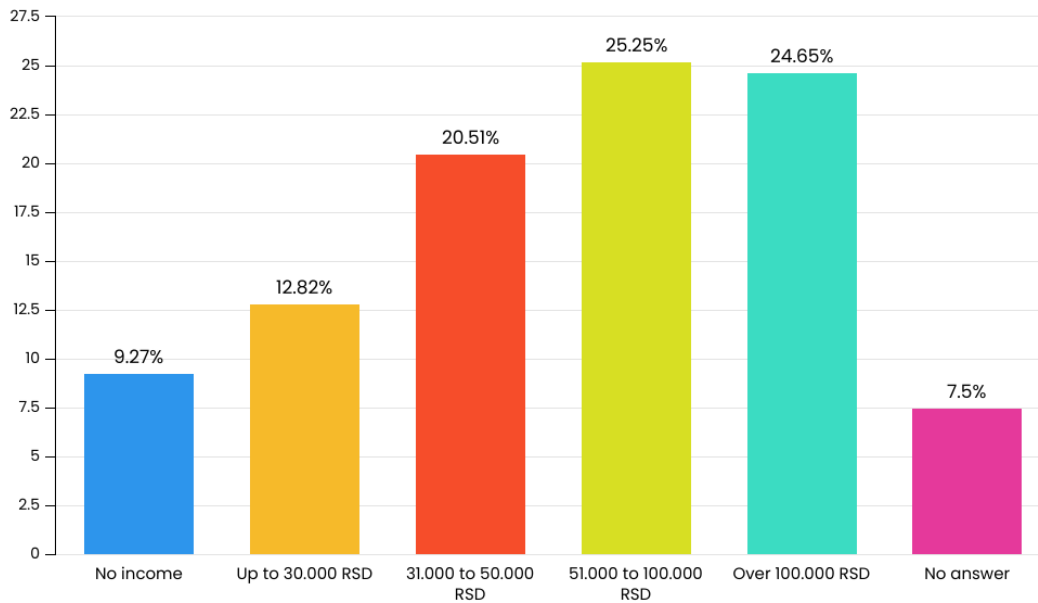


Figure 9 Total Monthly Income of the Surveyed Household

The analysis of responses regarding main monthly expenditures shows that the household expenditure structure of the surveyed households is similar to the other parts of the Republic of Serbia. The primary and largest expenditure source is communal and utility bills (electricity, heating, taxes etc.), followed by food expenses. There are also expenses for medical treatments and medicines, which are typically most prevalent in older households. This corresponds to the World Bank's conclusions that the population in the Republic of Serbia have out of pocket expenditures in the amount of 40% of that covered by the Health Insurance Fund, on average. A rising trend of investments in agriculture is noticed in the surveyed households, as 33.9% of them named as agriculture as one of main monthly expenditures. 15.4% of the respondents have a loan. The loan repayment period is usually between one and five years. 15.0% of the surveyed households confirmed they were faced with an economic challenge during the last five years. As the most common sources, the respondents named floods, illness and death of a family member.

According to the responses on intended spending patterns of the received compensation, most of the respondents answered they will use the compensation for everyday expenses (40.5%). 28.0% of the respondents intend to buy new land, while 13.8% of the respondents plan to save the received compensation.

5.4 Affected Land

As it was previously mentioned, the affected land parcels on Sector 2 of the Project belong to 32 cadastral municipalities located within the administrative areas of City of Kraljevo (9 cadastral municipalities) and City of Krusevac (4 cadastral municipalities), Municipality Vrnjacka Banja (7 cadastral municipalities) and Municipality Trstenik (12 cadastral municipalities).

41.2% of the respondents confirmed that the affected parcels are in the family for generations and part of the household's estate for over half a century. The expropriated land was purchased within the last ten years in only 0.8% of the surveyed households.

Total area of the parcels that are subject to expropriation is distributed more or less equally to parcels of an area between 10 and 30 ares (35.3%) and those smaller than 10 ares (35.5%). Parcels whose affected area is between 31 and 50 ares and between 51 and 100 ares are represented with 17.6% and 10.5%, respectively. In only 3.0% of cases, more than 100 areas of the parcel area was subject to expropriation.

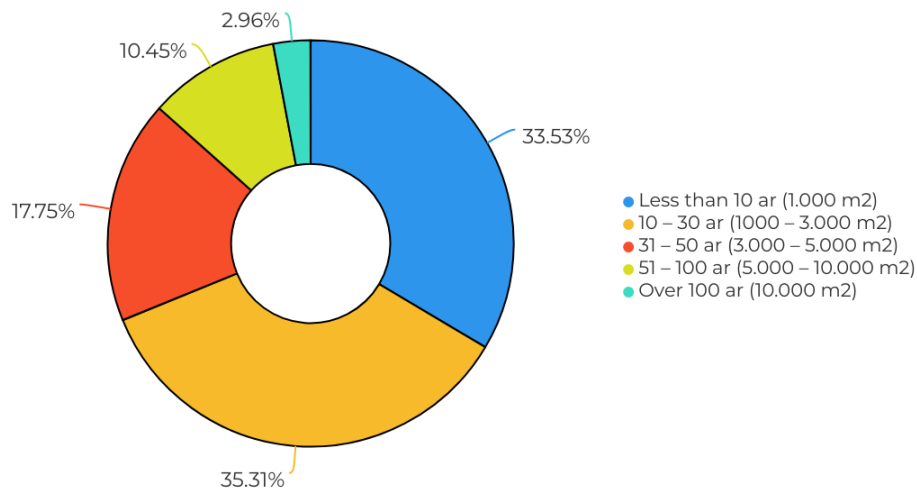


Figure 10 Area of Parcels Affected by Expropriation

33.3% of the surveyed PAPs whose land was partially expropriated consider the remaining part of their land economically unviable. 29.0% of them have already submitted the request for the acquisition of the unviable remaining part of the parcel, while another 58.0% plan to. The submitted request was accepted in 12.2% of cases and rejected in 14.3%. The resolution is still pending in the remaining cases.

The PAPs were generally well informed on the opportunity to submit these requests: they are aware that there is no limit to the number of times the request can be submitted, and that the final deadline is two years after the construction period. It is important to note that the unviability of land will not necessarily affect the owner's ability to engage in agriculture, as the land ownership structure in the Republic of Serbia is such that families usually own a number of relatively small land parcels and tend to rent out neighbouring land parcels to increase yield

Based on the survey the land use pattern registers the prevalent category of land is cultivated agricultural land (72.2%) while a significantly lower share take agricultural but non cultivated land (6.1%). 19.9% of the surveyed PAPs reported that the land affected by expropriation is construction land.

In 56.4% cases, the expropriation also encompassed crops. Most commonly, the affected crops were annual plants (32.9%), followed by fruit trees (26.4%) and forest trees (6.7%).

The answers on the extent to which the crops were affected were given in number of trees and/or in area of the parcel under crops. The answers that indicate the area of parcel under crops mostly coincide with the total acquired area of the parcel. The maximum number of affected trees was around 400. However, there was only 1 such case, while in majority of answers between 1 and 30 trees were affected.

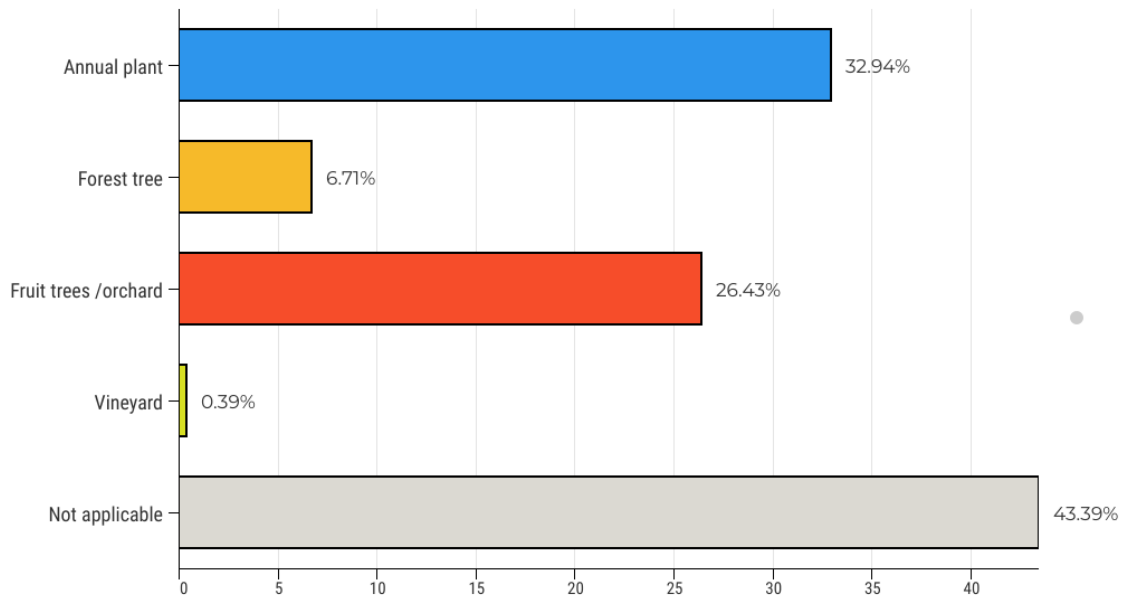


Figure 11 Type of Affected Crops in Surveyed Households

5.5 Affected Structures

Of the 76 land parcels with structures on them, there are 7 parcels with business structures, 45 parcels with residential structures and 24 parcels with weekend houses and garden cottages, as follows:

- 26 on the territory of Municipality Trstenik (16 in CM Trstenik, 3 in CM Vellika Drenova, 4 in CM Medvedja, 2 in CM Bogdanje and 1 in CM Seliste),
- 7 on the territory of the City of Kraljevo (5 in CM Zaklopaca, 1 in CM Oplanici and 1 in CM Sirca),
- 43 on the territory of Municipality Vrnjacka Banja (17 in CM Vrnjacka Banja, 9 in CM Stulac, 10 in CM Novo Selo, 3 in CM Vranesi, 3 in CM Rudjinci and 1 in CM Podunavci.).

Table 13 below shows the affected auxiliary structures on Sector 2 according to the survey results. It should be noted that most of the answers are related to water pumps and pipes. As the Real Estate Cadastre requires that only larger structures

are registered and in order to ensure that all affected auxiliary structures are adequately compensated, individual valuations are performed by an accredited expert (Please see 6.1).

The table does not refer to potentially residential structures. Residential structures are included in table 14 below. During the survey, 69 structures were identified as potentially residential, i.e., structures that can be used for permanent or long-term residence. As confirmed by their owners, some of these structures are used for permanent residence and some as weekend houses or garden cottages.

Table 13 Affected Auxiliary Structures on Sector 2

	Number of Auxiliary Structures
City of Kraljevo	16
City of Krusevac	35
Municipality Vrnjacka Banja	50
Municipality Trstenik	96
Total	197

Table 14 Affected Potentially Residential Structures on Sector 2

Affected Structure		City of Kraljevo	City of Krusevac	Municipality Vrnjacka Banja	Municipality Trstenik
Potentially residential structures	Structures used as permanent residence	4	0	34	7
	Weekend houses and structures not used for permanent residence	1	0	8	15
	Total	5	0	42	22
					69

Among 69 PAPs who answered that the structures affected by expropriation are potentially residential 24 PAPs confirmed that their structures were used as weekend houses or for rest during engagement in agricultural activities. The remaining 45 structures were described as residential by their owners and were equipped with all necessary utility connections. When it comes to the area of the affected structures that were described as residential, the majority of houses

(77.8%) were larger than 100m², followed by houses between 51 and 100m² of area (13.3%). 37.8% of the PAPs stated that they plan to resolve their housing situation by building new residential structure, while 22.2% of them stated that they will purchase new residential structures. The remaining PAPs (40.0%) have still not decided.

Table 15 Utility Connections

Connection	Number of Structures - Kraljevo	Number of Structures - Krusevac	Number of Structures - Vrnjacka Banja	Number of Structures - Trstenik
Electricity	4	0	37	9
Hydrophore	1	0	7	3
Kitchen	4	0	36	9
Bathroom	4	0	26	6
Septic tank	0	0	20	5
Sewerage system	3	0	5	1
Water supply	3	0	35	6
There were no connections	1	0	5	12
Total	5	0	42	22

During the socio-economic survey, 7 business structures were identified on the land parcels affected by land acquisition on Sector 2: 2 on the territory of the Municipality Vrnjacka Banja (2 in CM Vrnjacka Banja), 2 on the territory of City of Kraljevo (1 in CM Sirca and 1 CM Zaklopaca) and 3 on the territory of Municipality Trstenik (3 in CM Trstenik).

The businesses can be divided into three groups:

- Businesses that are affected, but not currently operational

Two PAPs confirmed that their businesses have not been in operation for some time, unrelated to the Project. The businesses do not generate any income and as such, PAPs will not be affected by economic displacement. However, they will receive compensation for the loss of the structure.

- Business that are affected and currently operational

Four PAPs confirmed that their businesses are currently operational and will be affected by economic displacement and for this they will receive adequate compensation in line with the entitlements' matrix.

- Business located on the affected land parcel, but its operation is not affected

A manufacturing shop employing around 60 people is located on a 0.31 ha parcel affected by the Project. According to the original plan, the structure was to be affected by land acquisition. However, the design was later amended to avoid this and 0.03 ha of the parcel (less than 10% of the parcel) will be acquired, not affecting the business structure. The business will not be relocated and will continue with its operation. According to the information received from the Corridors of Serbia, the PAP did not submit the request for the acquisition of the remaining part of the parcel.

Table 16 Information on the Affected Businesses

Type of Business	Area of Business Structure	Municipality	No. of Workers that are not Family Members
Craft shop	<10 m ²	Vrnjacka Banja	0
	>100 m ²	Kraljevo	0
Manufacturing shop	31-50 m ²	Trstenik	0
	>100 m ²	Vrnjacka Banja	1-5
	>100 m ²	Trstenik	51-100
Restaurant	>100 m ²	Trstenik	0
	>100 m ²	Kraljevo	1-5

Neither of the PAPs whose business structures were expropriated have received compensation at the time of the interviews and the compensation is pending. PAPs whose business structures are affected plan to use the compensation money either to re-establish their businesses elsewhere, or for purchasing agricultural land and residential structures (PAPs whose residential structures are affected too).

5.6 Entitlements

Eligibility for Compensation

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

- Persons or legal entities who are formal owners of any affected property,
- Persons or legal entities that are recognized users under the provisions of RS laws of any affected property,
- Persons or legal entities who are formal lessees of any affected property,
- Persons or legal entities that are unregistered¹² owners and informal users¹³ of privately or publicly owned affected agricultural or construction land, or part of the land,
- Persons or legal entities owners of the crops that are affected by the Project (regardless of the status of land where it is planted),
- Persons or legal entities owners of the perennial plants and trees such as fruit bearing trees and vineyards, that are affected by the Project (regardless of the status of land where it is planted),
- Persons or legal entities owners of vineyards and orchards that have not given yield yet, and are affected by the Project (regardless of the status of land where it is planted),
- Persons or legal entities owners of the nursery which has not given yield yet, and are affected by the Project (regardless of the status of land where it is planted),
- Persons or legal entities owners of the structures affected by the Project (auxiliary buildings, fences, wells, irrigation systems, etc.) regardless of the status of land on which the structures are located,
- Workers, agricultural possessors and farmers on the affected property, whose incomes and livelihoods are permanently or temporarily under the impact of the Project,
- Persons who rely on ecosystem services as a source of income or as a subsidiary
- Communities or households whose access to their buildings, commonly held resources and amenities are affected by the Project,

¹² Owners with recognisable legal right or claim, who are in the process of finalizing the registration of ownership

¹³ Persons who have established usage of public or private land and have immovable objects, crops, woods, trees, fruit bearing trees, vineyards etc., and therefore hold title over investments on the land and no title to the land itself

- 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.

Entitlements Matrix

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
A – PHYSICAL DISPLACEMENT				
Loss of residential structure	Owner with formal title (including those that have a claim to land that is recognised or recognisable under national laws)	Replacement structure of equal or higher value in direct proximity or in the surroundings of the expropriated structure together with all costs of resettlement and administrative fees needed for transfer of ownership rights, if any. Or Cash compensation at replacement costs: market price of property + market price for improvements + labour and time to install improvements at market price + moving costs + registration, administrative and tax fees + transitional allowance	Cash compensation at replacement costs: market price of property + market price for improvements + labour and time to install improvements at market price	Compensate the difference between the received compensation and equivalent replacement cost to the previous owners: <ul style="list-style-type: none"> • moving costs • registration, administrative and tax fees • transitional allowance
	Lessee with valid documents of the right of lease	Compensation for all improvements made to the structure. Compensation will be paid at replacement cost: market price for improvements + labour and time to install improvements at market price + costs of equipment relocation and installation, if any.	Cash compensation for all improvements on land: market price for improvements + labour and time to install improvements at market price	Compensate the difference between the received compensation and equivalent replacement cost to the lessee: <ul style="list-style-type: none"> • costs of equipment relocation and installation
	PAPs without formal title (in possession of structure prior to cut-off date)	Compensation for all improvements on structure. Compensation will be paid at replacement cost: market price for improvements + labour and time to install improvements at market price + costs of equipment relocation and installation, if any + transitional allowance.	Cash compensation for all improvements on land: market price for improvements + labour and time to install improvements at market price	Compensate the difference between the received compensation and equivalent replacement cost to PAPs without formal title:

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
				<ul style="list-style-type: none"> costs of equipment relocation and installation transitional allowance
B – ECONOMIC DISPLACEMENT				
LAND				
Agricultural land regardless the severity of loss (whether partial or complete loss of property)	Owner with formal title (including those that have a claim to land that is recognised or recognisable under national laws)	<p>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.</p> <p>Or</p> <p>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.</p>	Cash compensation at replacement costs: market price of property + market price for improvements + labour and time to install improvements at market price	<p>Compensate the difference between the received compensation and equivalent replacement cost to the previous owners:</p> <ul style="list-style-type: none"> moving costs registration, administrative and tax fees
	Lessee with valid documents of the right of lease who cultivates agricultural land pursuant to agreement	<p>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.</p> <p>and</p>	Cash compensation for all improvements on land: market price for improvements + labour and time to install improvements at market price	<p>Compensate the difference between the received compensation and equivalent replacement cost to the lessee:</p> <ul style="list-style-type: none"> costs of equipment relocation and installation

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
		Replacement land for lease, if land was leased from state, if possible		
	PAPs without formal title (in possession of land prior to cut-off date)	Compensation for all improvements on land (such as irrigation). Compensation will be paid at replacement cost: market price for improvements + labour and time to install improvements at market price + costs of equipment relocation and installation, if any + transitional allowance and Replacement land for lease from state, if possible	Cash compensation for all improvements on land: market price for improvements + labour and time to install improvements at market price	Compensate the difference between the received compensation and equivalent replacement cost to PAPs without formal title: <ul style="list-style-type: none"> costs of equipment relocation and installation transitional allowance
Construction land regardless to severity of loss (whether partial or complete loss)	Owner with formal title (including those that have a claim to land that is recognised or recognisable under national laws), or legal users of publicly/state owned construction land	Cash compensation at replacement costs: market price of property + market price for improvements (such as infrastructure) + labour and time to install improvements at market price + moving costs + registration of ownership, administrative and tax fees, if any + transitional allowance or; At property owner demand, if legal terms are met, replacement land of equal or higher value and similar traits, in direct proximity or in the surroundings of the expropriated land + market price for improvements (such as infrastructure) + labour and time to install improvements at market price + moving costs + registration of ownership, administrative and tax fees, if any + transitional allowance	Cash compensation at replacement costs: market price of property + market price for improvements + labour and time to install improvements at market price	Compensate the difference between the received compensation and equivalent replacement cost to the previous owners: <ul style="list-style-type: none"> moving costs registration, administrative and tax fees 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
	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"> • costs of equipment relocation and installation • transitional allowance
	PAPs without formal title (in possession of land prior to cut-off date)	Compensation: market price for improvements (such as infrastructure) + labour and time to install improvements at market price + moving costs + registration of ownership, administrative and tax fees, if any + transitional allowance And Replacement land for lease, from state, if possible	Cash compensation for all improvements on land: market price for improvements + labour and time to install improvements at market price	Compensate the difference between the received compensation and equivalent replacement cost to PAPs without formal title: <ul style="list-style-type: none"> • costs of equipment relocation and installation • transitional allowance
Unviable land, agricultural or construction (In case the remaining area of land is not viable, it can be expropriated)	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)				
PLANTS AND STRUCTURES ON AGRICULTURAL LAND (but not physical relocation)				
Loss of annual crops, that could not have been harvested prior to land repossession	Owners of crops (it is not of importance if the owner of crops is owner of land, or lessee, or informal owner/user of land providing that they bore costs of planting crops or acquired ownership in some other, recognizable way)	Cash compensation at replacement cost: market value of expropriated crops decreased by costs of harvesting crops	Cash compensation at market value of expropriated crops decreased by cost of harvesting crops	No additional compensation required
Loss of perennial plants and trees (fruit bearing trees, vineyards and fruit bearing plants)	Owners of plants (it is not of importance if the owner of plants is owner of land, or lessee, or informal owner/user of land providing that they bore costs of planting or acquired ownership in some other, recognizable way)	The right to harvest fruits and Cash compensation at replacement cost: market price of seedlings on the basis of type, sort and productive value + the net loss for the time needed to grow such plants according to year production market value + costs of investment (labour force, soil preparation etc.) to plant a new vineyard, orchard or similar + transitional allowance	The right to harvest fruits is granted Cash compensation at replacement cost: market price of seedlings on the basis of type, sort and productive value + the net loss for the time needed to grow such plants according to year production market value + costs of investment (labour force, soil	Compensate the difference between the received compensation and equivalent replacement cost: <ul style="list-style-type: none"> 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"> • moving costs • administrative taxes and fees • transitional allowance
All immovable property on land (such as irrigation, fences, wells, etc.).	Owners of improvements (it is not of importance if the owner is an owner of land, or lessee, or informal owner/user of land providing that they bore costs of improvements)	Cash compensation at replacement costs: market price for improvements + labour and time to install improvements at market price	Cash compensation at replacement costs: market price for improvements + labour and time to install improvements at market price	No additional compensation required.
BUSINESS (but not agriculture)				
Business structures (shops,	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"> costs of equipment and inventory relocation and re-installation and moving costs administrative taxes and fees transitional allowance
	Lessee with valid documents of the right of lease who uses premises according to rent agreement	Cash compensation at replacement costs: Compensation for all improvements on premises (such as reconstruction, refurbishment etc.) calculated at replacement cost (material + labour + other costs needed to make same improvements elsewhere, if any) + Costs of equipment and inventory relocation and re-installation and moving costs + administrative fees needed for transfer of ownership rights, if any + Transitional allowance And; Replacement premises for lease, if premises were leased from state, if possible	Cash compensation at replacement costs: Compensation for all improvements on premises at replacement cost (material + labour + other costs needed to make same improvements elsewhere, if any)	Compensate the difference between the received compensation and equivalent replacement cost: <ul style="list-style-type: none"> costs of equipment and inventory relocation and re-installation and moving costs administrative taxes and fees transitional allowance
	Owners without formal title (building constructed without building permit on one's own plot of land,	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"> costs of equipment and inventory relocation and re-installation and moving costs administrative taxes and fees transitional allowance
	Affected business employees	Employee salaries (in the amount equivalent to fixed number of monthly salaries in cases of permanent displacement or in the amount equivalent to monthly salaries of the duration of the temporary displacement)	Cash compensation in the fixed amount of three months' worth of salaries, as received by the employee prior to temporary or permanent economic displacement	No additional compensation required.
Loss of non-agricultural businesses	Owner of business including owners of unregistered, but legal businesses (informal businesses)	Moving costs + Transitional allowance + Any registration taxes or fees + Appropriate level of support for improving the skills if necessary, to perform restoration of income source and livelihood	No cases were identified to date.	Compensate the difference between the received compensation and equivalent replacement cost: <ul style="list-style-type: none"> moving costs administrative taxes or fees transitional allowance
	Affected business employees	Employee salaries (in the amount equivalent to fixed number of monthly salaries in cases of permanent displacement or in the amount equivalent to monthly salaries of the duration of the temporary displacement)	Cash compensation in the fixed amount of three months' worth of salaries, as received by the employee prior to temporary or permanent economic displacement	No additional compensation required.

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
C – OTHER RESETTLEMENT SITUATIONS				
Loss of access to usual resources, amenities, community held resources and buildings	Communities or households	Renewing public ownership or services (roads, buildings of public interest or similar). Restoring access to conveniences or services to previous levels.	No grievances have been received to date	<ul style="list-style-type: none"> • compensation to be determined on a case-by-case basis • CoS to confirm access was restored to its original state
Impacts caused by temporary or partial occupancy of land and any damages to the property made during temporary occupancy	Property owner (including those that have a claim to land that is recognized or recognizable under national laws)	Market price of lease for duration of the occupancy + Replacement cost value in accordance with this matrix for affected crops, orchards, nurseries etc. + Compensation for any damages to the property evaluated at replacement cost And; The land must be returned to original condition. Improved quality of the land due to top soiling work should not be removed, except if agreed upon differently with owner.	No grievances have been received to date Cash compensation at market price of lease for duration of the occupancy + Replacement cost value in accordance with this matrix for affected crops, orchards, nurseries etc. + Compensation for any damages to the property evaluated at replacement cost	No additional compensation required
	PAPs without formal title (in possession of land prior to cut-off date)	Compensation for all improvements on land (such as irrigation). Compensation will be paid at replacement cost: market price for improvements + labour and time to install improvements at market price + costs of equipment relocation and installation, if any + transitional allowance +	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"> • costs of equipment relocation and installation

Type of loss	Person with rights	Compensation policy	Compensation provided by CoS	Additional actions required for past land acquisition to be implemented by CoS
		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"> transitional allowance
Impact on vulnerable groups	Vulnerable persons, belonging to vulnerable groups, with social status that may lead to more adverse effect by resettlement than others or who may be limited in their ability to claim or take advantage of resettlement assistance	On top of all rights defined in this matrix, vulnerable PAPs will be provided additional assistance including legal assistance and help during physical relocation. Any additional support required for any affected vulnerable households will be determined on case-to-case basis during socio-economic survey. These PAPs are given priority of employment on the project if that is possible.	No additional support has been provided to date	<ul style="list-style-type: none"> mitigation measures to be determined on a case-by-case basis
Undetermined impact (including ecosystem services)	Any person affected by impact	Any undetermined impact will be mitigated in accordance with principles and aims of this RAP	N/A	

Determining the Amount of Additional Assistance

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

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

6 Resettlement and Compensation

6.1 Methods for Valuation of Affected Assets

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

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

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

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

6.2 Economic Resettlement

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

A. PAPs with Land-based Livelihoods

As it was previously mentioned, 41.9% of surveyed households confirmed they engage in agriculture as a source of income. 69.0% of PAPs reported that they will continue in agriculture. This means that the received compensation is sufficient to acquire new land in the area, of similar quality and/or that PAPs already have enough land in their ownership to allow them to maintain their agriculture activities on the pre-Project level.

Based on this, it can be assumed that the expropriation does not have a great impact on the land-based livelihoods. It is important to note that the share of PAPs who will not engage in agriculture in the future also includes those who do not do it at present, due to old age (around half of the surveyed property owners are 65 y/o and older). Only 17.3% of the respondents declared themselves as farmers, indicating that those households that generate income from agriculture, do not use it as a primary source of income.

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

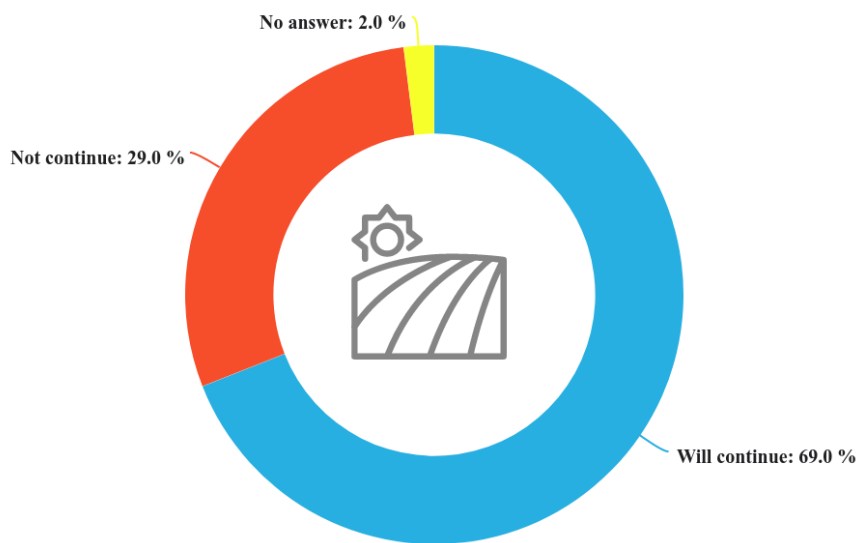


Figure 12 PAPs Who Will Continue to Engage in Agriculture

B. PAPs who were Affected by Loss of Business Structures

There was a total of 7 business structures affected on Sector 2, 2 on the territory of Municipality Vrnjacka Banja, 2 on the territory of City of Kraljevo and 3 on the territory of Municipality Trstenik. These businesses can be divided into three groups: businesses that are affected but not currently operational (2 businesses), business that are affected and currently operational (4 businesses) and business located on the affected parcels, but its operation is not affected (1 business). All PAPs will receive adequate compensation in line with the entitlements' matrix, depending on the type of loss they experience. At the time of the interviews, none of the PAPs received compensation as the valuation process was still ongoing.

6.3 Livelihood Restoration Measures

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

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

Table 17 Livelihood Restoration Measures

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

Activity	Responsibility
Job Assistance	
provision of information on opportunities for employment on the Project (advance advertising of jobs in the settlements, working with local authorities, and proactive involvement with project-affected communities whenever a construction site is being established and an employment opportunity arises)	Contractor
provision of skill trainings and provision of information on the existing programs that offer skill trainings (e.g., National Employment Service, Divac Foundation) in order to increase capacity to qualify for job openings on the Project / in general	CoS with support of other relevant entities (e.g., National Employment Service)
informative consultations on available grant programs and other types of assistance for agriculture or other business branches (IPARD, Beginner Support for Starting the Business Up) and provision on assistance in applying for them	CoS with support of other relevant entities (e.g., Ministry of Agriculture, Forestry and Water Management)

6.4 Cash Compensation

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

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

Table 18 Prices for Land in the Affected Municipalities

Municipality / City	Price per m2
City of Kraljevo	Between RSD 140 (approx. EUR 1.19) and RSD 190 (approx. EUR 1.62)
City of Krusevac	RSD 200 (approx. EUR 1.70)

Municipality / City	Price per m2
Municipality Vrnjacka Banja	Between RSD 180 (approx. EUR 1.53) and RSD 3.000 (approx. EUR 25.50)
Municipality Trstenik	Between RSD 185 (approx. EUR 1.57) and RSD 250 (approx. EUR 2.13)

As the meetings with PAPs for negotiation of the compensation costs and signing off of compensation agreements are currently being organized on Sector 2, it was often the case that the surveyed PAPs have not attended the meetings yet and have not received the compensation for the expropriated property, as the expropriation process has not been initiated for them at the time of the interview.

In 40.6% cases, the surveyed owners confirmed that they have received cash compensation for the affected crops. Those who have not yet received compensation are either waiting for the expert valuator's assessments or have not accepted expropriation agreement as they were not content with the compensation amount offered. 89.2% of PAPs confirmed they were able to harvest the crops. As there were no cases where PAPs claimed that they were not able to harvest the crops prior to contractor's entering the parcel, it is most probable that the remaining PAPs still cultivate the parcels.

When it comes to auxiliary structures, a total of 197 respondents reported that they had auxiliary structures attached to the affected land plots (16 in Kraljevo, 35 in Krusevac, 50 in Vrnjacka Banja and 93 in Trstenik). In 97.0% cases, PAPs are either waiting for the expert valuator's assessments or have not accepted expropriation agreement as they were not content with the compensation amount offered, while the remaining PAPs already received compensation.

72% of PAPs whose residential structures are affected by expropriation confirmed they received compensation. Neither of the PAPs whose business structures were expropriated have received compensation at the time of the interviews.

63.7% of PAPs are satisfied with the received compensation. The PAPs who were not content with the compensation offered, most commonly thought that the valuation was too low, because they were comparing the prices to the other municipalities alongside the corridor that received higher compensation (often due to different land use, e.g., agricultural and construction land). Those PAPs who have declared satisfaction with the process and compensation rates state that the compensation offered matches those of replacement value, that replacement can be acquired at the market and that the compensation prices for land received is higher than those achieved in a willing buyer willing seller transaction.

7 Consultations and Disclosure

7.1 Consultations that Preceded RAP Preparation

Consultations during Adoption of the Spatial Plan

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

RLRF and ESIA Disclosure Consultations

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

- 18th February 2020, 13h in the premises of the City of Krusevac
- 18th February 2020, 16h in the premises of People's University Trstenik
- 19th February 2020, 15h in the premises of the City of Kraljevo
- 19th February 2020, 10h in the premises of the Municipality Vrnjacka Banja

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

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

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

- 25th September in the City of Krusevac
- 26th September in Municipality Trstenik

- 28th September in Municipality Vrnjacka Banja
- 29th September 2020 in the City of Kraljevo

7.2 Individual Meetings during Socio-economic Survey

As part of the preparation of this plan, a socio-economic survey was conducted with 507 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. 92.0% 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 (0.4%) stated they were not informed of the expropriation process at all. These were the cases where property-legal relations have not been resolved and the registered owners of the parcels are still their deceased relatives. 85.9% of PAPs stated that they were completely or partially satisfied with the distribution of information. There were 6.1% 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. However, it should be once again noted that the surveying team was on site in the same period when meetings for signing the expropriation agreements were organized, so for some of the survey participants, the expropriation has not been initiated at the time of the interview.

53.2% of the surveyed PAPs said they did not know where to address their grievances. However, it is likely that a number of PAPs did not understand the question or were not interested in getting informed on this subject as they were satisfied with the process. The responses, however, indicate that more attention should be paid to informing PAPs about forms of cooperation with official institutions responsible engaged on the Project and the grievance mechanism designed for the Project (see measures for communicating about the grievance mechanism outlined in sections 7.2 and 8 below).

7.3 Disclosure

The RAP was disclosed for the period of three weeks, from 11 October to 31 October. Due to situation with Covid-19, in vivo public consultations could not be organized, and virtual public consultations were organized instead. The draft RAP in Serbian and English was made publicly available at the Corridors of Serbia website, as well as on the websites of City of Krusevac and City of Kraljevo, and municipalities Trstenik and Vrnjacka Banja, while hard copies of the document were available in their premisses.

In addition to this, video presentation of the RAP was available on the websites of Corridors of Serbia, City of Kraljevo and City of Krusevac and municipalities Vrnjacka Banja and Trstenik. The video presentation contained general information on the Project, description of process that preceded the adoption of RAP, as well as summary of RAP conclusions, additional assistances and entitlements. The available information shows that there were between 10,000 and 12,000 visits of CoS website during the disclosure period. However, there is no means to distinguish how many among them were presentation views.

During the disclosure period, announcements of the RAP availability were published in local newspapers “Ibarske novosti”. Additionally, the announcement was broadcasted on the local radio stations “Antena” in City of Krusevac, “Sljivovica” in City of Kraljevo and “Banja 2” in municipalities Vrnjacka Banja and Trstenik. The radio announcements were broadcasted four times per day, immediately before of after the news, in the period from 28 September till 31 October. Leaflets and posters were disseminated to the affected communities on 28 and 29 September. They contained a short summary of the RAP, where the document can be accessed, channels for submitting comments and information on the grievance mechanism. Dissemination of leaflets and posters was concentrated on local community centres and main gathering places (shops, bus stops, health centres).

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

Comments

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

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

Furthermore, the public could direct their questions to representatives of City of Krusevac (+ 381 37 414 700), City of Kraljevo (+381 036 306 000), Municipality Trstenik (+381 37 714 333) and Municipality Vrnjacka Banja (+381 36 601 200).

However, there were no comments submitted to the Corridors of Serbia, or to the City of Krusevac, City of Kraljevo and municipalities Vrnjacka Banja and Trstenik.

8 Grievance Redress Mechanism

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

Stakeholder Engagement Plan envisages the following channels for submitting grievances:

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

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

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

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

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

All grievances are currently in the grievance investigation phase. In addition to these, there are 170 ongoing court cases that were automatically initiated for those PAPs who did not sign expropriation agreements. In those cases, independent valuator estimates the compensation price for the affected assets and court brings the final decision on the amount. There are no defined deadlines for the resolution of these cases, and they depend on the capacities and the load of work of the local courts.

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

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

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

Table 19 Planned Stakeholder Engagement for Grievance Mechanism

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

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

9 Vulnerable People

9.1 Identification of Vulnerable People

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

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

a) Elder Households

Around half of the surveyed property owners are 65 y/o and older. Out of 39 single-member households, 16 are elderly, and out of 100 two-member households, 22 are elderly, with both members are 65 years or older.

b) Households with Members that Require Special Assistance

There are 62 households whose members require special care (12.2%): in 58 of them there is one care-dependant member, while in the remaining 4 the number of such household members is two. The reason for the required special care is either old age or illness, or both.

c) Low Income

9.3% of the surveyed PAPs answered that their household doesn't have any income at all, while another 12.8% of households 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 5.1% of the surveyed households are one-member households with female members. The total number of women-headed households in the Project area is considered to be higher.

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

- Single Parent Households

9.2 Assistance Activities to Vulnerable People

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

Table 20 Assistance to Vulnerable Groups

Vulnerable Category	Support Methodology
Elderly (aged over 65)	Travel assistance Assistance on acknowledging and signing official documents Access to legal resources with an assistance in case of a need (i.e. transportation) Assistance to access compensation payments Assistance to clear and store materials from their land.
Disabled	Travel assistance Assistance to obtain personal documents Assistance to access compensation payments Access to legal resources with an assistance in case of a need (i.e. transportation) Assistance to clear and store materials from their land.
Low income ¹⁴	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

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

10 Monitoring and Evaluation

10.1 Institutional Monitoring

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

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

10.2 Monitoring of Land Acquisition Process

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

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

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

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

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

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

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

10.3 Monitoring of Temporary Land Access for Construction Works

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

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

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

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

11 Implementation Responsibilities and Funding

11.1 Implementation Responsibilities

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

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

11.2 Arrangements for Funding and Budget

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

Appendix A

Sample Grievance Form

A1 Sample Grievance Form

Public Grievance Form (Sample)

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

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

Appendix B

Housing Structures and Land Market Prices

B1 Housing Structures and Land Market Prices

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

Table 21 Structures' and Land Market Prices

Municipality	Asset on Sale	Asking Price (EUR/m ²)
Grdica	Land plot in the industrial zone of Kraljevo, 7,500m ²	70 EUR / m ²
Grdica	Land plot, 600 m ²	6.6 EUR / m ²
Konareo	Land plot 5,935 m ²	2.02 EUR / m ²
Vrdilima	Land plot, 4,000 m ²	1.5 EUR / m ²
Ratina	Land plot, 6,195 m ²	22 EUR / m ²
Meljanica	Land plot, 15 km from Kraljevo, 25,000 m ²	1 EUR / m ²
Kraljevo	Construction land, 450 m ²	43 EUR / m ²
Kraljevo	Land plot, 900 m ²	1.9 EUR / m ²
Krusevac	Agricultural land, 6.600 m ²	2,42 m ²
Krusevac, Jasika	Construction land, 1.700 m ²	5,88 m ²
Krusevac	Agricultural land, 6.300 m ²	1,42 m ²
Makresane	House, 50 m ² , on 800 m ² parcel, well with water pump	220 EUR/m ²
Citluk	House, 150 m ²	81 EUR/m ²

Municipality	Asset on Sale	Asking Price (EUR/m²)
Lazarica	Five-rooms house, 230 m ² urban location	140 EUR/m ²
Lazarica	House, 200 m ² on 530 m ² , parcel	530 EUR/m ²

Appendix C

Maps

C1 Maps

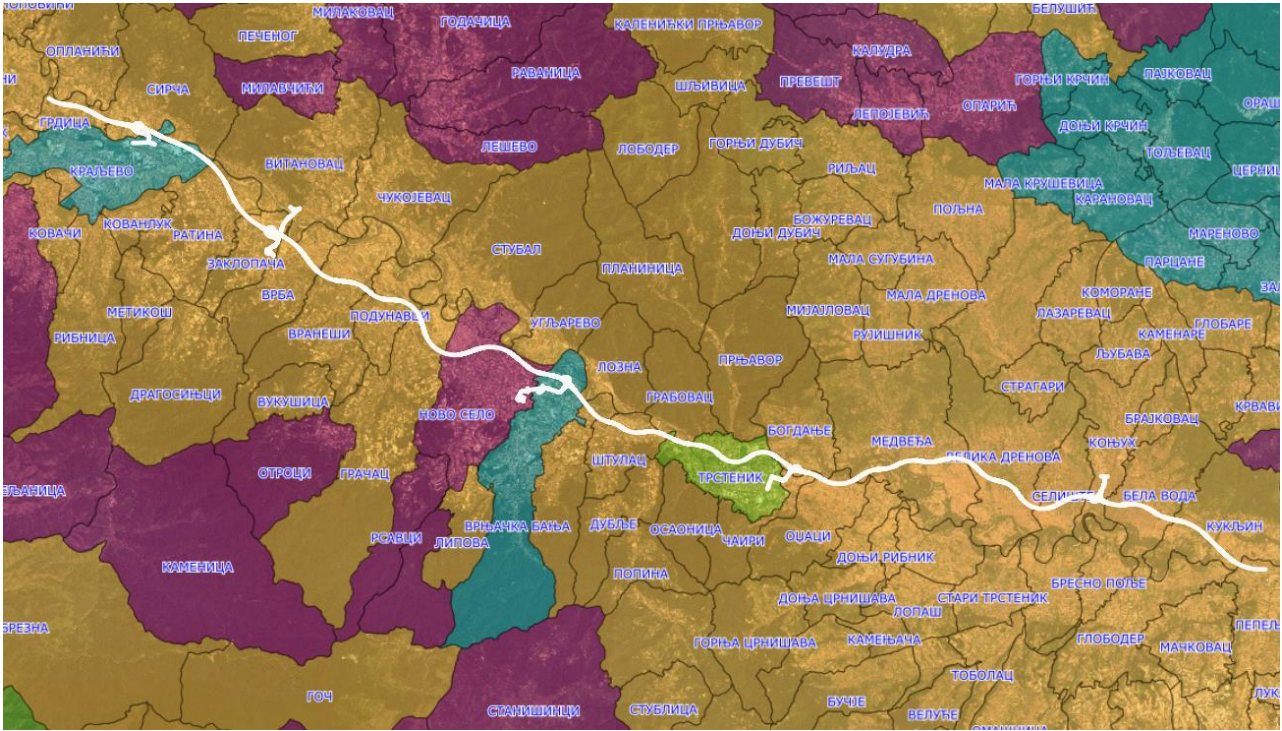


Figure 13 Sector 2 Alignment against Municipalities' Borders



Figure 14 Road Alignment