



PE „ELECTRIC POWER INDUSTRY OF SERBIA”

CORPORATE RESETTLEMENT FRAMEWORK

VERSION 4

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I. INTRODUCTION

a. Project description and context

Public Enterprise Electric Power Industry of Serbia (PE EPS) is the largest electricity utility in Serbia. PE EPS is a vertically integrated power and mining utility comprised of four main businesses: I) operation of 7,304 MW generating capacity (outlet capacity), out of which 55% is coal-fired, 40% hydropower and 5% gas-fired combined heat and power plants; II) operation of a 160,000 km long distribution network throughout Serbia; III) supply of electricity to more than 3.6 million customers and IV) operation of two large lignite basins which produce ca. 40 million tons per annum.

PE EPS started a restructuring process in late 2012 and has undergone through several structural changes, the main one being a merger of all mining, generation and trading activities into one company from previous 8 independent companies and establishing one Distribution System Operator (DSO) from previous 5 independent DSOs, as of July 1st 2015. The final stage of the legal merger was completed on June 1st 2016, when “EPS Supply” was merged to PE EPS. PE EPS thus now operates through 2 companies, PE EPS and its subsidiary EPS Distribucija (DSO).

Even though the legal steps have been completed, the operational integration of activities is still ongoing. The aim of the restructuring is to improve efficiency throughout the value chain and to allow PE EPS to have a leading position in a regional electricity market, while continuously improving the quality of service to its customers.

In November 2015, EBRD approved a corporate loan in support of the ongoing restructuring. This major reform package sets out clear milestones for restructuring and reorganization for the purpose of clear legal, organizational and financial division between activities of general interest and market energy activities, as well as the change of legal form into joint stock company in order to ensure that Serbian energy sector fully complies with the EU Directives. The loan proceeds are used to restructure and refinance short and medium-term financial debt which PE EPS has entered into on an emergency basis with commercial banks in order to alleviate critical cash situation created by the unprecedented and catastrophic floods in Serbia in 2014. As a condition of this loan, PE EPS has agreed to implement an Environmental and Social Action Plan (ESAP), which aims to align the company’s environmental and social management systems with good international practice, and a corporate Stakeholder Engagement Plan (SEP), which aims to improve the quality and consistency of the company’s interaction with stakeholders.

In recent years PE EPS has been working with resettlement issues primarily in mining projects. The resettlement was carried out in full compliance with Serbian legislation and in close consultation with the project affected population. In case of physical displacement of the community, a specific resettlement plan was developed in cooperation with the community in question and with local authorities, and was further approved by the Serbian Government. This was the case of the resettlement of village Vreoci in Kolubara Basin¹.

¹ Document „Programske osnove za preseljenje sela Vreoci“, November 2007 (Program Foundations for resettlement of village Vreoci)



However, with PE EPS corporatization process underway there is a clear need to have a document which sets out the corporate rules and guiding principles for all resettlement and livelihood restoration activities throughout the projects' life cycle.

This Resettlement/Livelihood Restoration Framework (hereinafter referred to as: Framework) is thus the company's document reflecting relevant Serbian Laws and policies and specific requirements of EBRD Environmental and Social Policy (May 2014) concerning resettlement and economic loss that may occur during PE EPS investment projects. The Framework applies to all house and land owners and users with their status affected permanently or temporarily, physically and/or economically due to investment works. It also applies to people whose use of land and housing facilities changes as the result of the investment. The Framework does not apply to State land and other State property that is transferred from one authority to another, or is temporarily used for construction, unless third parties are adversely affected by the transfer or use.

The document provides guidance in screening of all PE EPS investment projects to identify the potential adverse social impacts associated with land acquisition and expropriation and proposes appropriate mitigation measures. It summarizes:

- The planned approach to land acquisition (permanent & temporary), resettlement, compensation and livelihood restoration;
- Roles and responsibilities for land acquisition and resettlement;
- Entitlements of all categories of affected persons/entities, with particular attention to the needs of vulnerable persons;
- Provisions to mitigate negative impacts of both physical and economic displacement, including public consultations and establishment of a grievance mechanism;
- The monitoring provisions for the resettlement and livelihood restoration process.

For each project a separate resettlement Action Plan (RAP) will be developed and will use the Framework as a basis for planning the activities in this field. The RAP will also include a required financial means to carry out resettlement and livelihood restoration activities.

b. Scope of the Resettlement

This document describes the potential physical and economic displacement impacts associated with PE EPS investment activities and the compensation and resettlement principles and responsibilities to ensure that no affected person/entity is worse off after displacement and if possible that his/her living conditions and livelihoods are improved compared to the pre-displacement circumstances.

Physical and economic displacement can be full, partial, permanent, or temporary.



II. PRINCIPLES AND OBJECTIVES

a. Policy principles governing land acquisition and expropriation, resettlement, economic displacement and related social impacts

Key principles set out in the Framework are as follows:

1. Land acquisition and involuntary resettlement will be avoided as far as possible or minimized; different location and construction options will be explored;
2. Resettlement and compensation of affected persons/entities shall be carried out in accordance with the applicable Serbian legal framework and EBRD's Environmental and Social Policy Performance Requirement 5 (May 2014). In case of inconsistency between national legislation and EBRD requirements, the higher standards will be applied;
3. Both loss of land or assets (physical displacement) and loss of livelihoods (economic loss, i.e. "economic displacement") shall be taken into account and mitigated within the Framework;
4. Impacts related to temporary occupation of land for construction purposes may also entail compensation or other assistance to affected persons;
5. Entitlements of all categories of Project Affected Persons/Entities are established by this Framework and will be further detailed in individual Resettlement Action Plans;
6. Compensation at full replacement cost will be provided by using best practice methods to value and compensate for affected assets or resources, or the access thereto, and livelihood impacts, involving authorized experts who are independent qualified parties;
7. Livelihoods and standards of living of affected persons shall be improved or at least restored to the level prior to project related displacement, in as short a period as possible;
8. All owners, occupants/tenants and users of affected housing and land at the time of the project cut-off date located in the area of resettlement, whether with or without fully recognized ownership rights, are eligible for compensation as specified in the Entitlements Matrix in this Framework. Assistance for resettlement and livelihood restoration will be provided to individuals, groups of people and /or businesses. The needs for assistance and type of assistance will be identified during the census as well as during the consultation process with relevant stakeholders;
9. The Cut-off date is to be set for each project and announced to project affected people. Persons who encroach on the project affected area after the project cut-off date will not be entitled to compensation and/or assistance;
10. Affected persons and communities (including vulnerable groups and individuals) will be consulted to facilitate their early and informed participation in decision-making processes related to resettlement. Acquisition and compensation activities will be implemented with appropriate disclosure of information and consultation;
11. Where a project involves the loss of public amenities, consultation with affected community will be undertaken to identify and, where possible, reach an agreement upon a suitable alternative;
12. Grievance management mechanisms will be established with relevant stakeholders. It is assumed that these parties will work together to ensure the appropriate party deals with resettlement related grievances;
13. Monitoring of the resettlement and livelihood restoration process will be carried out in accordance with PR 1 and PR 5.



b. Objectives of the Framework

The document presents the commitments and principles by which the resettlement process will be undertaken in order to address sufficiently the physical and economic displacement impacts on project affected persons/entities in line with national requirements and EBRD's Environmental and Social Policy Performance Requirement 5 (May 2014).

The key objective of the Framework is to provide the principles to be followed in the preparation of any Resettlement Action Plan so as to ensure that people affected by future resettlement are able to improve or at least restore their income level and standards of living after the resettlement process is completed in accordance with the principles described above. The document aims to present the potential physical and economic displacement impacts associated with PE EPS project activities, identify the potentially affected categories of population and the compensation and resettlement principles and responsibilities to ensure that no one affected by the projects' implementation is disadvantaged by its implementation compared to current conditions.

The specific objectives of this document are the following:

- Clarify the principles, processes and organizational arrangements to identify and mitigate potential adverse impacts associated with land acquisition and expropriation and related impacts associated with PE EPS projects;
- Establish clear directives and methodologies for social screening of PE EPS investment projects and use this document as a guiding principle while preparing specific resettlement Action Plans (RAPs);
- Ensure compliance with applicable Serbian law on expropriation and other applicable national laws and objectives as well as the provisions of the EBRD's Environmental and Social Policy Performance Requirement 5 (May 2014);
- Define appropriate institutional arrangements for the implementation and monitoring of the Framework and project specific RAPs, as well as consultations and timely disclosures.



III. LEGAL REVIEW AND GAP ANALYSIS

a. Serbian legal framework on resettlement of project affected persons:

1. Law on Expropriation (“Official Gazette of RS“, no. 53/95, “Official Gazette of FRY“, no. 16/2001 – Federal Constitutional Court decision and “Official Gazette of RS“, no. 20/2009 and 55/2013 – Constitutional Court decision);
2. Law on Foundations of Property Law Relations (“Official Gazette of SFRY“, no. 6/80 and 36/90, “Official Gazette of FRY“, no. 29/96 and “Official Gazette of RS“, no. 115/2005 – other law);
3. Law on Contract and Torts (“Official Gazette of SFRY“, no. 29/78, 39/85, 45/89 – decision of Constitutional Court of Yugoslavia and 57/89, “Official Gazette of FRY“, no. 31/93 and “Official Gazette of SCG“, no. 1/2003 – Constitutional Charter);
4. Law on Planning and Construction (“Official Gazette of RS“ 72/2009, 81/2009-amendment 64/2010 – Constitutional Court decision, 24/2011, 121/2012, 42/2013 – Constitutional Court decision, 50/2013 – Constitutional Court decision, 98/2013 – Constitutional Court decision, 132/2014 and 145/2014);
5. Building Legalization Law (“Official Gazette of RS“ 96/2015);
6. Law on Mining and Geological Explorations (“Official Gazette of RS“ 101/2015);
7. Law on Agricultural Land (“Official Gazette of RS“ 62/2006, 65/2008-other law, 41/2009 and 112/2015);
8. Law on General Administrative Procedure (“Official Gazette of FRY“ 33/97 and 31/2001 and “Official Gazette of RS“ 30/2010), new Law on General Administrative Procedure has also been adopted (“Official Gazette of RS“ 18/2016 that shall be effective as of June 1st, 2017);
9. Law on State Survey and Cadastre (“Official Gazette of RS“ 72/2009, 18/2010, 65/2013, 15/2015 and 96/2015);
10. Law on Spatial Plan of the Republic of Serbia from 2010 to 2020 (“Official Gazette of RS“ 88/2010);
11. Regulation on Ratification of the Spatial Plan of the Special Purpose Area of Kostolac Lignite Basin (“Official Gazette of RS“ 1/2013, 7/2016- other regulation);
12. Regulation on determination of the Spatial Plan of the Exploitation Area of Kolubara Lignite Basin (“Official Gazette of RS“ 122/2008, 93/2011- other regulation, 38/2015- other regulation);
13. Law on Social Housing (“Official Gazette of RS” 72/2009)
14. Bylaws adopted pursuant to the abovementioned laws;
15. EBRD’s Environmental and Social Policy (May 2014);
16. Set of Environmental Protection laws (“Official Gazette of RS” no. 135/2004, 36/2009 – other law, 72/2009- other law, 43/2011 –Constitutional Court decision and 14/2016).

PE EPS is a public enterprise that pursuant to the Law on Public Enterprises (“Official Gazette of RS“15/2016), was founded for the purpose of performing the activity of public interest in the mining and energy sector.

The Law on Expropriation represents the basic law applicable to situations when private property is involuntarily acquired from owners/beneficiaries. The group of entities in whose



favour the immovable property may be expropriated is limited to the cases foreseen in the Law on Expropriation.

Applicable regulations of the Republic of Serbia do not use the term “involuntary resettlement“ used in EBRD’s policies, instead the term “expropriation“ is used. Expropriation, in general, represents the term of involuntary transfer of the rights over immovable property from private property into state property, for the public interest and with compensation.

Key features of the Serbian Law on Expropriation:

- The law is adopted with the aim to ensure simple and efficient procedures, reducing as far as possible the need for lengthy judicial proceedings, thus enabling the necessary implementation of expropriation in the shortest possible time. Under normal circumstances, the entire expropriation process can be completed within six months;
- Compensation is always provided when expropriation occurs with the general principle being that compensation is determined in monetary terms, unless otherwise defined by the Law on Expropriation (Article 11);
- The law stipulates that the principle of fair compensation is determined according to the market value of the assets expropriated;
- The basic precondition for the expropriation of immovable property is that public interest has been determined. Public interest is determined by the law or decision by the Government (Article 2);
- The Planning act regulates what is deemed as public interest (Article 20);
- When submitting the proposal for expropriation, the Beneficiary of the Expropriation has to arrange a Bank Guarantee with a Commercial Bank for the amount of RSD funds necessary for securing the compensation for expropriated immovable property, the guarantee should be valid until compensation payment occurs (Article 28);
- Expropriation can be deemed complete (when the titleholder of the expropriated property is changed) or incomplete (when the easement over immovable property or lease of the land for a specific period of time is established) – Articles 5 and 6;
- The Law on Expropriation determines that in the event that an agreement with the former titleholder cannot be reached, the municipal administration will file a case before the competent court seeking determination of the compensation. (Article 61);
- Persons whose properties are affected by the project and that are being expropriated in specific cases foreseen by the Law, have the possibility to choose whether they will be paid in cash or will be given adequate compensation in kind;
- All costs of the expropriation procedure are borne by the Expropriation Beneficiary, project-affected persons do not bear any costs.

The detailed description of the expropriation process is given as Annex 1 to this document.

Other relevant laws

The Building Legalization Law

In Serbia, legislation has been often enacted to allow for the legalisation of illegally built facilities and structures, which are numerous throughout the country.



The Building Legalization Law currently in force stipulates the conditions, procedure and the manner of legalization of illegally built facilities. Once legalised, such facilities can be fully compensated under national legislation.

Law on Planning and Construction

The Law on Planning and Construction foresees the preparation of the following planning documents: the Spatial Plan of the Republic of Serbia, the Regional Spatial Plan, the Local Self-Government Unit Spatial Plan and Special Purpose Area Spatial Plans. The development and adoption of these plans involves disclosure of information and the organisation of public hearings where all interested stakeholders may submit their comments, questions and grievances.

For the construction of facilities that will be used by PE EPS for its activities, Special Purpose Area Spatial Plans will be adopted and disclosed and consulted on, as required by the law.

b. Principle Provisions/Principles of EBRD's Policy Requirement Number 5

Performance Requirement 5 of EBRD's Environmental and Social Policy deals with Land Acquisition, Involuntary Resettlement and Economic Displacement.

Involuntary resettlement refers both to physical displacement (relocation or loss of shelter) and economic displacement (loss of assets or resources, and/or loss of access to assets or resources that leads to loss of income sources or means of livelihood) as a result of project-related land acquisition and/or restrictions on land use.

Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition, or restrictions on land use, that result in displacement. This occurs in cases of: (i) lawful expropriation or restrictions on land use based on eminent domain; and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.

Application of this Performance Requirement (PR) supports and is consistent with the universal respect for, and observance of, human rights and freedoms and specifically the right to adequate housing and the continuous improvement of living conditions.

The objectives of this PR are to:

- avoid or, when unavoidable, minimize, involuntary resettlement by exploring alternative project designs;
- mitigate adverse social and economic impacts from land acquisition or restrictions on affected persons' use of and access to assets and land by: (i) providing compensation for loss of assets at replacement cost; and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation and the informed participation of those affected;
- restore or, where possible, improve the livelihoods and standards of living of displaced persons to pre-displacement levels;
- improve living conditions among physically displaced persons through the provision of adequate housing, including security of tenure at resettlement sites.

This PR applies to physical or economic displacement that can be full, partial, permanent, or



temporary, resulting from the following types of transactions:

- land rights or land use rights acquired for a project through expropriation or other compulsory procedures;
- land rights for a project acquired through negotiated resettlements with property owners or those with legal rights to land, including customary or traditional rights recognised or recognisable under the laws of the country, if expropriation or other compulsory process would have resulted upon the failure of negotiation;
- imposition of restrictions that result in people experiencing loss of access to physical assets or natural resources irrespective of whether such rights of restriction are acquired through negotiation, expropriation, compulsory purchase, or by means of government regulation.

This PR does not apply to resettlement resulting from voluntary land transactions (market transactions in which the seller is not obliged to sell and the buyer cannot resort to expropriation

EBRD's Clients are encouraged to acquire land rights through negotiated settlements even if they have the legal means to gain access to the land without the consent of the seller. Negotiated settlements help avoid expropriation and eliminate the need to use governmental authority to remove people forcibly.

From the earliest stages and through all resettlement activities the client will involve both affected men and women, as well as host communities. This will facilitate their early and informed participation in decision-making processes related to resettlement, and in accordance with PR 10:

- affected persons shall be given the opportunity to participate in the eligibility requirements, negotiation of the compensation packages, resettlement assistance, suitability of proposed resettlement sites and proposed timing;
- additional requirements apply to consultations which involve individuals belonging to vulnerable groups;
- consultation will continue during the implementation, monitoring and evaluation of compensation payment and resettlement so as to achieve outcomes that are consistent with the objectives of this PR.

The EBRD's client will carry out a socio-economic baseline assessment on people affected by the project, including impacts related to land acquisition and restrictions on land use as well as a detailed census to: (i) identify persons who will be displaced by the project; (ii) determine who will be eligible for compensation and assistance; and (iii) take inventory of affected land and property.

The EBRD's client will establish the cut-off date for eligibility as foreseen in the applicable legislation and project timeline as appropriate. Often the most practicable cut-off date is during the baseline assessment or census. Information regarding the cut-off date will be well documented and communicated throughout the project area. Setting a cut-off date will provide clarity as to eligibility for compensation and assistance. Persons moving into the project location after the cut-off date are not entitled to compensation or other assistance.

EBRD's client will offer all displaced persons and communities' compensation for loss of assets at full replacement cost and other assistance. This is intended to restore, and potentially improve, the standards of living and/or livelihoods of displaced persons to pre-displacement



levels. The measures can be based on land, resources, wages and/or business activities. Standards for compensation will be transparent and consistent within the project. Compensation will be provided before displacement or imposition of access restrictions. Where livelihoods of displaced persons are land-based, or where land is collectively owned, the client will offer, where feasible, land-based compensation, taking into account seasonal and agricultural timing requirements. The client will provide opportunities to displaced persons and communities to derive appropriate development benefits from the project.

Displaced persons may be classified as persons: (i) who have formal legal rights to the land (including customary and traditional rights recognised under national laws); (ii) who do not have formal legal rights to land at the time of the census, but who have a claim to land that is recognised or recognisable under national laws; or (iii) who have no recognisable legal right or claim to the land they occupy.

EBRD's clients will establish an effective grievance mechanism as early as possible in the process. It will be consistent with this PR and with the objectives and principles of PR 10 in order to receive and address in a timely fashion specific concerns about compensation and relocation that are raised by displaced persons and/or members of host communities. It will include a recourse mechanism designed to resolve disputes in an impartial manner.

A Resettlement and/or Livelihood Restoration Framework will be developed where the exact nature or magnitude of the land acquisition or restrictions on land use related to a project with potential to cause physical and/or economic displacement is unknown due to the stage of development of the project. The framework will outline the general principles, procedures and entitlement framework consistent with this PR. Once the individual project components are defined and the required information becomes available, the framework will serve as a basis for the development of a detailed Resettlement Action Plan (RAP) or Livelihood Restoration Plan (LRP).

Monitoring of the resettlement and livelihood restoration process will be carried out in accordance with PR 1 and should involve the participation of key stakeholders such as affected communities.

c. Gap analysis

In general, the institutional framework for expropriation in Serbia is highly compatible with Performance Requirement 5 of EBRD's Environmental and Social Policy (May 2014).

The main gaps are described below, together with some potential solutions based on JP EPS's experience in both developing and implementing resettlement programmes.

A full Gap Analysis is presented in Annex 2².

1) Consultation and Stakeholder Engagement

EBRD policy requires that all stakeholders are adequately informed and meaningfully consulted well in advance of any expropriation activities.

Serbian law does not require public consultation with project affected people prior to expropriation. Provision of information to the affected population in the expropriation process

² This was prepared in September, 2015



is typically limited, particularly with regard to those who have no legal title over properties i.e. they are generally not informed about expropriation at all.

However, PE EPS's experience from expropriation activities so far shows that meaningful consultations with directly affected people, as provided for under the EBRD Policy, can significantly improve resettlement activities, as affected people know best what they will need to overcome the difficulties which they could face as a result of involuntary resettlement. In addition, special measures must be undertaken to ensure that vulnerable individuals and groups are also meaningfully consulted in the resettlement process.

2) Census and Socio-economic Survey

Implementation of a census and socio-economic survey is not required according to Serbian legislation. For each EBRD project which requires land acquisition (physical or economic displacement), the implementation of a census, of a survey and development of a RAP/LRF is necessary.

The legal framework in Serbia foresees the development of expropriation 'studies' which are in fact inventories of affected properties and basic information about registered owners of those properties (i.e. names, addresses, ID numbers), so that they can be identified and compensated. There are no provisions for conducting an inventory of all affected properties (i.e. including those that are not formally registered), nor a survey describing the socio economic conditions of affected owners or residents, as required by the EBRD's PR 5.

The benefits of these activities, in line with the requirements of PR5, can be summarized as follows:

- Identification of exact numbers of people / properties existing in the project affected area, which will be either physically or economically displaced (regardless of whether their properties are formally registered or not);
- Enabling initial consultations with affected people about their needs and preferences (initiating thinking on possible mitigation measures);
- Collection of data to be used as a starting point during monitoring, whereby the change in conditions in relation to baseline information shows whether or not resettlement/livelihood restoration has been successful in enabling people to restore and improve their socio-economic status; and
- More precise scheduling and budgeting.

3) Cut-off date

The Cut-Off Date is the date after which persons found to settle in the Project area are not eligible for Project compensation or other resettlement benefits. The Serbian Expropriation Law does not explicitly define eligibility to compensation, however it follows the basic legal principle on how properties can be acquired and ownership established as per virtue of law.

The setting up of the cut-off date is a very important requirement of EBRD PR 5.

The intent of the Cut-Off date is to establish and confirm eligible properties, households, individuals or businesses thereby avoiding opportunistic attempts at maximising compensation through structures erected intentionally or crops established purely for the purposes of compensation.



Potentially affected people need to be informed of the Cut-Off Date in order to minimise potential claims related to eligibility.

A “cut-off” date for eligibility shall be defined as:

- Either the date when municipal administration of the project area adopts the general regulation plan,

or

- The date of the performed census

This date will be defined for each project taken into account all project specifics.

4) People without Formal Rights

The Law on Expropriation does not foresee the payment of the compensation to project affected persons without formal rights of ownership.

However, in accordance with EBRD Environmental and Social Policy, project affected persons with legalizable rights (inheritance, concluded contracts, court decisions) will be treated in the same manner as the owners registered in public cadastre records.

Project affected persons without formal rights will be registered in the census taking into account the defined cut-off date and will be compensated for their losses, in accordance with the RAP that is to be developed for each project.

Also, in the event of economic displacement, i.e. disruption or cessation of a person’s access to his/her employment or productive assets (such as crops, irrigation infrastructure and other improvements made to land), such person will be promptly compensated at full replacement cost in accordance with the principles established under Performance Requirement 5 of the EBRD’s Environmental and Social Policy.

Requirements in respect of physical and economic displacement are cumulative.

Opportunistic settlers who encroach on the project area after the cut-off date will not be eligible for compensation.

If land ownership cannot be determined, the expropriation process will still be initiated. If an agreement regarding compensation cannot be concluded in the short term, the amount of compensation due will be deposited in a dedicated bank account, so that the compensation can be paid once ownership is determined.

5) Vulnerable Groups

The Law on expropriation does not include special requirements for organising consultations and relocation assistance for vulnerable groups. During the census, it is/will be necessary to identify vulnerable groups and assess their needs related to resettlement and relocation assistance.

Vulnerable groups, as for all other affected people, must be engaged in meaningful consultations regarding resettlement options and assistance. However, consultation with vulnerable groups may require a special approach that will enable them to participate equally in the process (i.e. involvement of social workers, use of a different language, or carrying out the consultations in an accessible venue for people with disabilities, at a particular time of day when e.g. affected single parents are available, etc.)



Once vulnerable groups are identified during the census, a needs assessment must be performed to be able to define the most appropriate measures for consultation and providing resettlement assistance.

6) Economic displacement

According to EBRD Policy, the client is required to pay for the loss of properties or access to properties as soon as possible to the persons whose business activities are displaced. Also, in the events when the purchase of land includes business premises, the owners of the companies will be compensated for the costs of business activities recovery at some other location, lost net profit during transitional period, as well as moving costs and re-installation of facility, machines and other equipment according to the given circumstances. The same should also apply to the persons who are not land owners.

Although national legislation does not recognize the term “livelihood restoration“, compensation can be paid to a person who has suffered any economic loss, i.e. damage by applying the provisions of the Law on Contract and Torts related to the damage compensation. Damage can be actual damage that includes loss of property and loss of profit.

7) Grievance Mechanism

In Serbia there is no specific legislative requirement for establishing an independent grievance mechanism. A project-specific grievance mechanism should be established and this should be culturally appropriate and transparent to promptly and effectively receive and address specific concerns about compensation and relocation that are raised by project affected persons.

However, the national expropriation law does provide for affected citizens’ (those with formal legal rights) to be able to appeal to courts at various stages during the expropriation procedure. Experience so far also shows that affected people usually communicate with the expropriation beneficiary (a designated person or department), in connection with their specific grievances and with the aim of reaching a compensation agreement, before filing appeals with the relevant administrative authorities or courts. In some cases, these existing procedures could be built on, to develop appropriate grievance mechanisms, as required by EBRD.

It is important to ensure that affected people are informed about:

- How and where to submit grievances;
- The grievance process and specific information which is needed from the person with the grievance;
- When and where to expect a response;
- If they are unsatisfied with the response what is the next available channel for submitting a grievance.

It is also important that the affected persons are aware that the grievance mechanism will in no way impede their access to existing judicial and administrative remedies. In most cases, questions and grievances can be answered by staff involved in projects. However, in larger scale resettlement / livelihood restoration programmes, it is also necessary to develop a second level of grievance resolution, which would involve the participation of impartial persons. Experience shows that the most effective way of organizing such a mechanism is to form a committee which would include representatives of various stakeholders, including project affected people and independent agencies / organizations.



IV. ELIGIBILITY AND ENTITLEMENTS

a. Eligibility criteria

Project affected persons are all individuals, groups of people and/or businesses that will be affected during the project implementation in such manner that they will have to move (physical displacement) and/or will suffer material losses of assets or business activities, and are present in the project affected area at the time of the cutoff date.

Project affected persons include the following categories:

- Project affected persons with formal legal rights over property;
- Project affected persons with rights over property that are recognizable under national laws;
- Project affected persons without formal or recognizable legal rights, who occupy the land and/or buildings on the project affected area at the time of the cut-off date;

All affected persons are eligible for some form of compensation and / or assistance as described in the Entitlement Matrix.

In case it is needed to carry out the physical displacement of the whole village/ community, the affected population will be given the right to choose between individual compensation and organized/collective resettlement to preserve the community spirit. This will be addressed in detail in Resettlement Action Plans developed for specific projects or component.



b. Entitlements matrix

CATEGORY OF AFFECTED PERSON	TYPE OF LOSS / IMPACT	ENTITLEMENTS
<p style="text-align: center;">Owner</p> <ul style="list-style-type: none"> • Those who have formal legal rights to the land. • Those who do not have formal legal rights to land at the time of the census, but who have a claim to land that is recognised or recognisable under national laws. 	<p>Permanent loss of (or access to) land.</p> <p>Loss of annual / perennial crops and trees.</p>	<p>Cash compensation for land at full replacement cost (market value plus transaction costs).</p> <p style="text-align: center;">OR</p> <p style="text-align: center;">Replacement land equal in size and quality, in a nearby location</p> <p style="text-align: center;">AND</p> <p>The right to harvest OR cash compensation for lost annual / perennial crops / and trees at full replacement cost.</p>
	<p>Temporary loss of (or access to) land during construction</p> <p>Loss of annual / perennial crops and trees</p>	<p>Cash compensation for the right to use the land for the land use period, at full replacement cost (market rental price).</p> <p style="text-align: center;">AND</p> <p style="text-align: center;">Complete reinstatement of land after use</p> <p style="text-align: center;">AND</p> <p>The right to harvest OR Cash compensation for lost annual / perennial crops / and trees at full replacement cost</p>
	<p>Permanent loss of formal residential structures (physical displacement)</p>	<p>Cash compensation for the residential structure at full replacement cost (market value plus transaction costs)</p> <p style="text-align: center;">OR</p> <p style="text-align: center;">Replacement adequate residential structure</p> <p style="text-align: center;">AND</p> <p>Resettlement assistance, including moving allowance or assistance to move</p>
	<p>Permanent loss of informal residential structures (physical displacement)</p>	<p>Assistance to legalise structure in accordance with Serbian legislation and, if successful, same compensation as loss of formal residential structure (see above)</p> <p style="text-align: center;">If the structure is non-legalisable:</p>



CATEGORY OF AFFECTED PERSON	TYPE OF LOSS / IMPACT	ENTITLEMENTS
		<p>The right to salvage materials and assistance to transport them to a nearby location of choice</p> <p>AND</p> <p>If the affected person has no other place of residence, a choice of options for adequate housing with security of tenure (e.g. social housing), in cooperation with the social welfare centre</p> <p>AND</p> <p>Resettlement assistance, including moving allowance or assistance to move</p>
	<p>Permanent loss of non-residential structures (e.g. fences, business facilities, workshops) and infrastructure (e.g. irrigation structures)</p>	<p>Cash compensation at full replacement cost</p> <p>AND</p> <p>Moving allowance for movable assets or assistance to move them</p>
	<p>Temporary or permanent loss of business income and/or sources of livelihood (formal and informal) associated with any of the above losses (economic displacement)</p>	<p>Cash compensation for lost net income during the period of transition (until the re-establishment of business/economic activities).</p> <p>AND</p> <p>Livelihood restoration assistance</p>
	<p>Orphan land (a part of a plot of land that is to be left over after expropriation, for which the owner has no economic interest in continuing to use)</p>	<p>If a request of the affected owner of land has been made in accordance with the Expropriation Law (Article 10) and has been declared as being justified based on the expert appraisal report:</p> <p>Cash compensation for orphan land at full replacement cost.</p>
<p>Formal user (i.e. lessee)</p>	<p>Permanent loss of (or access to) publicly owned land</p>	<p>Provision of the use of other corresponding publicly owned land for lease, under the same contractual conditions</p> <p>OR</p>



CATEGORY OF AFFECTED PERSON	TYPE OF LOSS / IMPACT	ENTITLEMENTS
<ul style="list-style-type: none"> those who have formal legal lease rights or have a claim that is recognised or recognisable under national laws 	Loss of annual / perennial crops and trees	Amendment of lease contract to reflect the loss of the area of land to be acquired for the Project AND The right to harvest OR cash compensation for lost annual / perennial crops / and trees at full replacement cost.
	Permanent loss of (or access to) privately owned land Loss of annual / perennial crops and trees	Information about the permanent acquisition of the land at least three months in advance of land entry, to enable the lessee to find other land for lease. AND The right to harvest OR cash compensation for lost annual / perennial crops / and trees at full replacement cost.
	Permanent loss of access to publicly owned residential structure (state owned apartment)	Provision of the use of other corresponding publicly owned residential structure for lease, under the same contractual conditions AND Resettlement assistance, including moving allowance or assistance to move
	Permanent loss of access to privately owned residential structure (leased apartment/house)	Information about the acquisition of the residential structure at least three months in advance of land entry, to enable the lessee to find other accommodation for lease. AND Resettlement assistance, including moving allowance or assistance to move
	Permanent loss of non-residential structures (e.g. fences, business facilities, workshops) and infrastructure (e.g. irrigation structures)	Cash compensation at full replacement cost AND Moving allowance for movable assets or assistance to move them
	Temporary or permanent loss of business income and/or sources	Cash compensation for lost net income during the period of transition (until the re-establishment of business/economic activities)



CATEGORY OF AFFECTED PERSON	TYPE OF LOSS / IMPACT	ENTITLEMENTS
	of livelihood (formal and informal) associated with any of the above losses (economic displacement)	<p style="text-align: center;">AND</p> <p style="text-align: center;">Livelihood restoration assistance</p>
<p style="text-align: center;">Informal user</p> <ul style="list-style-type: none"> • those who have no recognisable legal right or claim to the land they occupy, present in the affected area at the time of the census 	Permanent loss of access to land Loss of annual / perennial crops and trees	<p style="text-align: center;">No compensation for loss of access to land</p> <p style="text-align: center;">The right to harvest OR cash compensation for lost annual / perennial crops / and trees at full replacement cost.</p>
	Loss of access to residential structures (physical displacement)	<p style="text-align: center;">If the user has no other place of residence, a choice of options for adequate housing with security of tenure (e.g. social housing), in cooperation with the social welfare centre</p> <p style="text-align: center;">AND</p> <p style="text-align: center;">Resettlement assistance, including moving allowance or assistance to move</p>
	Permanent loss of non-residential structures (e.g. fences, business facilities, workshops) and infrastructure (e.g. irrigation structures)	<p style="text-align: center;">Cash compensation at full replacement cost</p> <p style="text-align: center;">AND</p> <p style="text-align: center;">Moving allowance for movable assets or assistance to move them</p>
	Temporary or permanent loss of business income and/or sources of livelihood (formal and informal) associated with any of the above losses (economic displacement)	<p style="text-align: center;">Cash compensation for lost net income during the period of transition (until the re-establishment of business/economic activities)</p> <p style="text-align: center;">AND</p> <p style="text-align: center;">Livelihood restoration assistance</p>



V PUBLIC CONSULTATIONS AND GRIEVANCE MECHANISM

a. Required public consultation

Public consultation will be organized for all projects that will require resettlement of project affected persons and/or will affect livelihood of local population, during the project design phase.

PE EPS shall actively participate in public consultations when determining the proposal for all laws and other acts related to the involuntary resettlement procedure.

PE EPS will organize public presentations of planned projects involving involuntary resettlement procedure, consultations with identified stakeholders, including representatives of local communities affected by the resettlement project. Special attention will be given to vulnerable groups and will include involvement of the local Social Welfare Centres and other local and national institutions whose tasks are care and wellbeing of different vulnerable categories.

The aim is to have a consensus on the most important issues pertaining to resettlement.

b. Recommendations and plans for stakeholders' petitions reviewing procedures

EPS's communication with stakeholders and the procedure of reviewing the stakeholders' petitions is described in the Stakeholders Engagement Plan (www.eps.rs) and defined in the procedure named „Identification, evaluation and reviewing of external and internal issues and understanding of the stakeholders' needs and expectations“. The procedural steps are the following:

- Submission of petitions/grievances in person, by letter or online, using the standard form from PE EPS website www.eps.rs and which can also be found next to the petition boxes that are placed in the business premises of PE EPS;
- Petitions/Grievances are submitted either at PE EPS's records divisions or are put in special petition boxes that are placed in the business premises of PE EPS, at every records division. Upon the submission at records divisions, the petition/grievance will be recorded in the electronic base of petitions ("Grievance Log"). Petitions/grievances that are put in the petitions/grievances boxes are recorded by the designated PE EPS Community Liaison Officer that is responsible for dealing with the petitions in accordance with the given procedure. If a petition/grievance is not understood well or additional information is needed, the officer will gather additional data and clarifications from the complainant;
- The Community Liaison Officer will forward the petition/grievance to the relevant PE EPS department(s)/personnel/contractor in order for him/her to write the response to the stakeholder. That person is also responsible for entering all status changes in the electronic base of petitions and monitoring the subject until the end of the process (sending the response to the complainant). Senior management will be informed about the significant events/issues;
- The outcome of the grievance process will be communicated to the complainant, normally within 30 working days after receipt of the petition unless the problem raised is complex and needs further investigation. In that case the complainant will be



informed that PE EPS needs additional time to review his/her petition, and then, upon reviewing the issue, PE EPS will inform the complainant about the outcome of the analysis of petition and proposed remedial action;

- The response to the petition/grievance is recorded in the electronic data base for all petitions that serves for the preparation of necessary reports on the communication between PE EPS and stakeholders.

For large projects that include significant resettlement activities PE EPS will consider establishing a special dispute resolution body that will serve as higher instance in the petition/grievance redress process.

If the complainant is not satisfied with the implemented corrective action and/or a justification on why the corrective action is not required, he/she will be given the option to settle the dispute before this body.

The body will be comprised of PE EPS representatives, local municipality officials and representatives of the local community. Additionally, this body may include the representatives of the Ministries competent for mining, energy and environmental protection.

This body will re-evaluate the existing corrective action and/or the justification on why an action is not required and will reconsider alternatives to address the grievance in a satisfactory manner.

The body will inform the complainant, within 30 working days upon the receipt of grievance, about the proposed alternative corrective action and activities to be undertaken.

The process described above does not preclude people from using their legal rights to use any legal recourses available to them.

c. Project-specific social aspects to be addressed at the design stage

Social screening and impact assessment will be carried out at the project design stage so that all potential impacts are identified and stakeholders' participation is maximized.

Most of the affected households' socioeconomic data will be collected during the census and inventories of assets.

The survey will include the following:

- Household characteristics (who is the owner of property/or lives in affected house), age, education level, activities and vulnerability - ill, old, disability and etc.);
- Description of economic status of the household (inventory of main movable assets, furniture, appliances, employment, economic activities – both informal and formal, categorization of incomes);
- Description of current economic and social dependence of the households from their land/usage of locations as critical factor to understand possible impacts of resettlement;
- Preferred kind of compensation (cash or land, or where possible – organized resettlement, preferred location, type of facility etc.).

The survey will allow the collection of additional quantitative (supported by qualitative) information in two important areas:

1. Household-level income streams and livelihood strategies that were not identified in the census and inventories of assets;



2. The structure, organization, and economic inter- dependencies within the larger community affected by the project.

Analysis of this data coupled with data obtained in the census will help identify vulnerable households, and those most at risk from physical or economic resettlement.

EBRD's 2014 Environmental & Social Policy define vulnerable groups as *“people who, by virtue of gender identity, sexual orientation, religion, ethnicity, indigenous status, age, disability, economic disadvantage or social status may be more adversely affected by project impacts than others and who may be limited in their ability to claim or take advantage of project benefits“*.

Vulnerability in the context of the Projects of PE EPS refers to those persons who would be disproportionately affected by resettlement activities.

This may include the following examples:

- Persons fully dependent on land resources or having their living standard connected solely to agriculture / land-based livelihoods;
- Homeless people who are illegally settled in sheds and abandoned buildings on the land to be expropriated;
- Elderly or disabled persons who are not able to communicate their concerns and grievances easily.

These groups, as well as any other identified vulnerable groups, will be given special attention and support during the resettlement and livelihood restoration process.

d. Institutional responsibilities

PE EPS will form a project implementation team for each project, including the project resettlement unit. Other organizations and parties involved in the process of expropriation and resettlement are: the finance and environmental Ministries, Tax Administration, municipalities, all project affected persons and the courts of law.

All reached agreements on compensation will be concluded before the bodies of local self-government unit, who are nominated by the Law to facilitate the expropriation process.

The entire process of resettlement and livelihood restoration will be managed by PE EPS team.



VI. MONITORING

PE EPS will monitor the implementation of the resettlement processes, as part of the overall project monitoring. Monitoring measures will be designed to ensure that, at the very least, the livelihood and standard of living of displaced persons are restored to pre-project levels. Monitoring will be carried out in accordance with the EBRD Environmental and Social Policy (May 2014) including the participation of key stakeholders.

A list of indicators will be developed for each project and the list of possible indicators is given below:

Input indicators:

- Number of project affected persons
- Number of structures (residential and non-residential) identified for expropriation
- Number of land plots to be expropriated
- Number of business entities to be relocated
- Number of persons requesting special assistance during the process
- Overall budget for expropriation and compensation

Output indicators:

- Number of project affected persons having moved from their previous dwelling in the period
- Number of project affected persons having moved into their new dwelling in the period
- Number of people having received cash compensation in the period
- Number of individual compensation agreements signed in the period
- Number and % of compensation payments completed
- Number of organized (assisted) resettlement cases completed
- Number of businesses where income restored or improved from pre-resettlement levels
- Number of persons provided with assistance to move their assets
- Number and type of outstanding or unresolved grievances

For each indicator the source of information and frequency of measurement will be defined.



VII. TIMETABLE AND BUDGET

Resettlement and livelihood restoration activities that may be parts of different projects will be planned and monitored on both corporate and project levels. PE EPS Annual Business Plan includes the total budget for all resettlement and livelihood restoration activities and also a breakdown per project and location. The exact costs of resettlement and livelihood restoration cannot be calculated before expert assessments of affected properties are completed.

Typical cost groups to be planned are the following:

- Public consultation and project informing costs;
- Costs of census and socio-economic survey;
- Costs of external valuation of affected property and agricultural and other business income;
- Costs of financial compensation;
- Costs of procuring replacement properties;
- Costs of compensation for economic losses;
- Other transitional costs;
- Costs of court proceedings in cases where mutual agreements have not been reached

The timetable for the resettlement and livelihood restoration activities will be in line with the overall project timeline, developed for each project. The time limits prescribed by the law as well as the deadlines agreed with the parties involved in the resettlement process will be strictly observed during project implementation.

Time and financial monitoring of implementation will be done by the Project Implementation Team.



VIII. ANNEXES

Annex 1

Expropriation process defined by the Serbian Law on Expropriation

Pursuant to Article 1 of the Law on Expropriation, immovable property³ may be expropriated or ownership rights over such property restricted only in areas where public interests are proclaimed. Compensation cannot be lower than the property market value.

The Government determines the public interest⁴, based on the proposal of the entity which qualifies to be the Expropriation Beneficiary. The proposal includes information on the immovable property for which public interest determination is proposed, type of object or type of works whose execution is foreseen on given land, as well as the information on the land that is obtained for the purpose of compensating the former owners who are being resettled due to the exploitation of mineral resources.

The main prerequisite for determining the public interest is a planning document permitting the construction, i.e. work execution to be performed by the Expropriation Beneficiary. This document will be submitted with the expropriation proposal (Article 20). The Government, during the procedure of public interest determination, can arrange the hearings of the parties, but also the decision can be rendered without hearing the parties beforehand. Decision adopting the proposal for determination of public interest is published in the “Official Gazette of the Republic of Serbia“.

Once the public interest is determined, the expropriation procedure can be initiated. Expropriation proposal will be submitted to the municipal administration on which territory the immovable property proposed for the expropriation is located, no later than one year from the day of public interest determination. Together with the expropriation proposal, the Expropriation Beneficiary shall submit the Bank Guarantee of a Commercial Bank, as the guarantee that adequate compensation will be paid to all persons whose immovable property is included by the decision for determination of public interest.

During the procedure, competent authority shall hear the owners of the immovable property (persons whose immovable property is included in the decision for the determination of public interest) on the facts significant for the expropriation. Also, during the procedure, competent authority will inform the persons whose immovable property has been expropriated only partially that they can submit the request for expropriation of the remaining part of the

³ Immovable property, for the purposes of this Law, shall be deemed to be land, buildings and other building constructions.

⁴ Public interest can be determined if the expropriation is necessary for the construction of a facilities in the field of: education, health care, social welfare, culture, water management, sports, transportation, energy or utility infrastructure, facilities for the requirements of government authorities and the authorities of territorial autonomy and local self-government, facilities for the requirements of national defense, and for the construction of the apartments to be used for meeting the requirements of socially vulnerable persons, also when the expropriation is necessary for mineral resources exploitation, for ensuring the environmental protection and protection against natural disasters, including as well the construction of the facilities used for these needs.



immovable property in accordance with the Law. Thus, the interests of the parties affected by the expropriation proposal are protected.

Based on the expropriation proposal, the Expropriation Beneficiary shall submit the request for annotation about expropriation in public books on immovable property registration and rights over it, as to prevent the complaint of, legal successor of the immovable property for which the expropriation proposal is submitted he/she was not informed that the immovable property will be expropriated.

Municipal administration adopts the expropriation decision. Once the expropriation decision is legally effective the ownership of expropriated immovable property shall be changed. The expropriation beneficiary shall submit to the former owner and to municipal authority that adopted the expropriation decision, a written proposal on the compensation type and amount. Competent authority shall obtain the facts that may be significant for determination of the compensation through amicable agreement, from administrative and other bodies and organizations. Parties may agree on providing replacement property in ownership or co-ownership for the expropriated one, amount of monetary compensation, mutual additional payments for the difference in the value of immovable property, moving of expropriated facilities to another location in accordance with the regulation; constructing passes and access paths, as well as on the other issues that are in accordance with the legal regulations. If former owner and expropriation beneficiary manage to reach an agreement, compensation agreement shall be concluded and it has the effect of the writ of execution.

If the parties do not reach the agreement within two months, the compensation determination procedure shall be continued before the competent court.

In addition to complete expropriation when the owner of immovable property is changed, expropriation decision may also determine the easement or lease on immovable property for specific period of time, i.e. incomplete expropriation. Lease may be determined only in the event when the land will be used for the limited period of time, maximum of three years. Upon the expiration of time for incomplete expropriation, expropriation beneficiary shall return the land to its original condition.

There is also a possibility of temporary occupation of the land that is needed in relation with the facility construction for which, pursuant to the law, the public interest has been determined, e.g. for workers' accommodation, material and machine storage, etc. Once the need for temporary occupation ceases to exist the land has to be returned in the original condition.

In accordance with the principle of fair compensation the owners of expropriated facility or land and owners of the land on which the easement or lease is determined are entitled to the full compensation for expropriated immovable properties as well as the compensation for damages that they suffer due to the expropriation.

The owner of agricultural arable land whose livelihood is tied to that land is entitled to request other adequate land of same culture and class or appropriate value on the same location in the vicinity. This provision is not applicable in cases where expropriation is conducted for the purpose of coal exploitation, the construction of energy facilities (thermal power plants, combined heat and power plants, substations, overhead lines, reservoirs for hydro power plants' needs) and others. Also, if the Expropriation Beneficiary is not able to offer adequate land, compensation shall be paid in monetary terms.



To the owner who used the expropriated facility for animal breeding, storing or processing of agricultural products as a source of income, other facility will be given, which will enable continuation of the activities in the place that he/she proposes, in accordance with the regulations.

Owner of housing building or apartment, i.e. business premises is entitled to request another housing building or apartment, i.e. business premises to be given to him/her in ownership or co-ownership, on the same location or nearby, and of similar structure and surface to the ones the owner had before the expropriation⁵. For the owner who uses such facility another immovable property has to be provided before demolition of expropriated facility., For the owner that does not use the facility, other immovable property will be provided within six months from the date of effectiveness of the expropriation decision. If the owner does not request other immovable property, the compensation shall be paid in monetary terms according to the market value.

In the event that housing object is expropriated for the purpose of exploitation of mineral resources⁶, the owner and members of his/her household are entitled to one construction plot as a part of total compensation, if the housing estate or part of housing estate where the housing object is located is to be resettled, and that at the time of expropriation decision adoption they were living in that facility.

Beneficiary of Expropriation shall provide to the tenant of the socially or state owned apartment for indefinite period of time⁷, the use of another adequate state or socially owned apartment, with the occupancy rights for indefinite period of time, before demolition of the building where apartment is located.

Compensation for expropriated agricultural and construction land shall be determined in monetary terms according to the market price for such land.

In the procedure of determining compensation, the Law prescribes the parameters that are taken into account: orchard or vineyard that give products, young orchard or vineyard, nursery, mature or nearly mature forest, young forest, etc. Production costs, investments and maintenance and revenue that could be realized are also considered. Assessment is done by the relevant expert witness and the costs are borne by Expropriation Beneficiary.

Owner is not entitled to compensation for investments made after the date of written notification on submitted expropriation proposal. Owner is entitled to remove the crops and harvest the fruit from expropriated land.

In the event of administrative transfer of the land or other socially owned natural resource, user of the land or other natural resource that he/she uses free of charge, is entitled to receive the compensation only for the work and funds invested in that land or other natural resource.

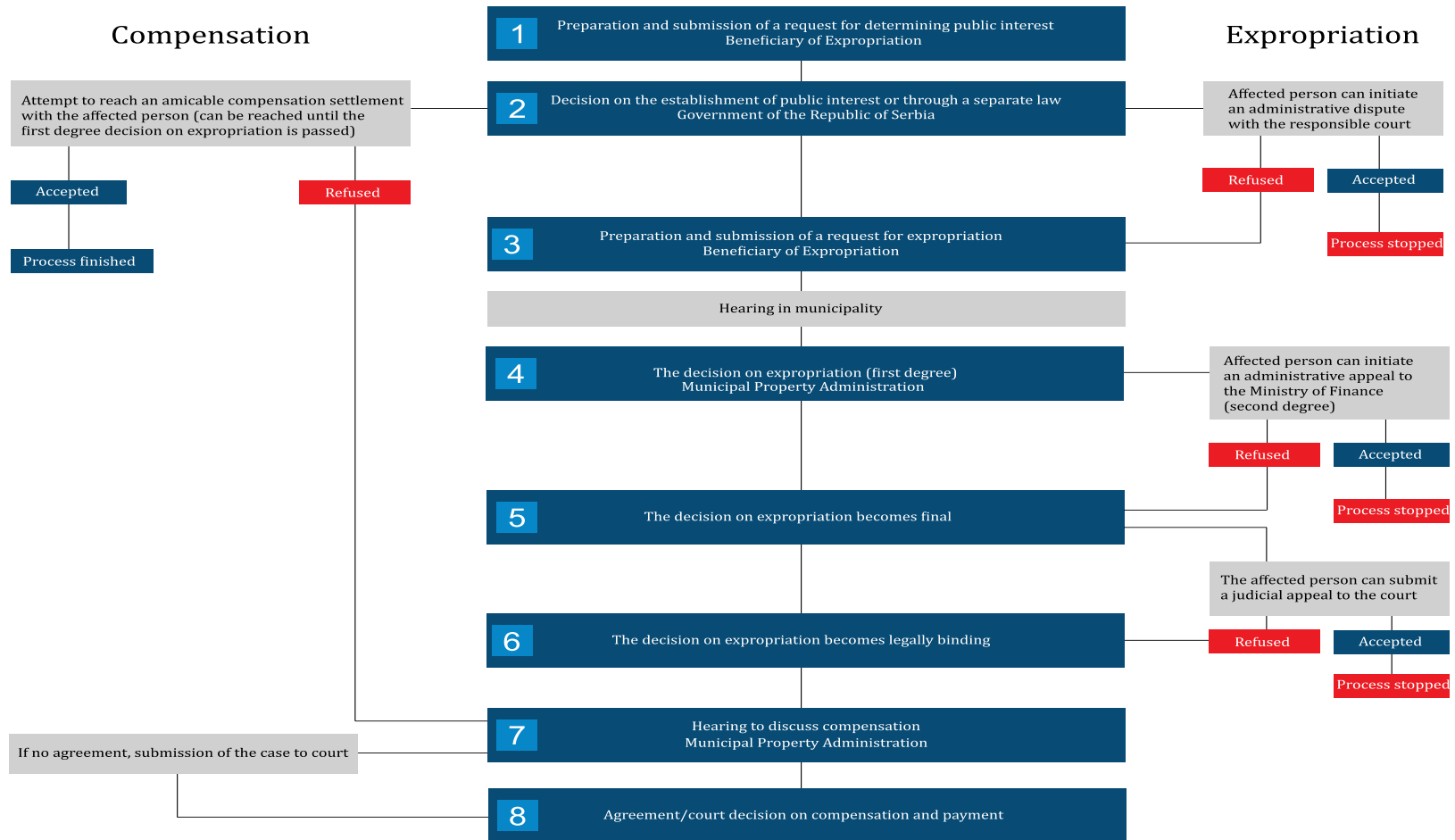
⁵ In the event that large land complex is to be expropriated for the purpose of the execution of certain works, the beneficiary shall provide for the owner another immovable property on the territory of the municipality where the expropriated immovable property is located.

⁶ Pursuant to the Law on Mining and Geological Exploration, mineral resources, i.e. mineral raw materials of strategic importance for the Republic of Serbia are oil and natural gas, coal, copper and gold ores, lead and zinc ores, lithium and boron ores, oil shale and other mineral raw materials stipulated by separate act of the Government.

⁷ Based on the Housing Law – “Official Gazette of the RS” number 50/92, 76/92, 84/92 – correction, 33/93, 53/93, 67/93, 46/94, 47/94 - correction, 48/94, 44/95 – other law, 49/95, 16/97, 46/98, 26/2001 and 101/2005 – other law.



EXSPROPRIATION SCHEME, prepared by Link 011 for EBRD



When the decision on compensation becomes legally binding (8) the Beneficiary of Expropriation has the right to enter into possession of the property (access it).



GAP ANALYSIS

Prepared by Link 011 for EBRD, September 2015

CATEGORY OF AFFECTED PERSON	TYPE OF LOSS / IMPACT	ENTITLEMENTS
<p style="text-align: center;">Owner</p> <ul style="list-style-type: none"> • those who have formal legal rights to the land • those who do not have formal legal rights to land at the time of the census, but who have a claim to land that is recognised or recognisable under national laws 	<p>Permanent loss of (or access to) land Loss of annual / perennial crops and trees</p>	<p>Cash compensation for land at full replacement cost (market value plus transaction costs). OR Replacement land equal in size and quality, in a nearby location AND The right to harvest OR cash compensation for lost annual / perennial crops / and trees at full replacement cost.</p>
	<p>Temporary loss of (or access to) land during construction Loss of annual / perennial crops and trees</p>	<p>Cash compensation for the right to use the land for the land use period, at full replacement cost (market rental price). AND Complete reinstatement of land after use AND The right to harvest OR Cash compensation for lost annual / perennial crops / and trees at full replacement cost</p>
	<p>Permanent loss of formal residential structures (physical displacement)</p>	<p>Cash compensation for the residential structure at full replacement cost (market value plus transaction costs) OR Replacement adequate residential structure AND Resettlement assistance, including moving allowance or assistance to move</p>



CATEGORY OF AFFECTED PERSON	TYPE OF LOSS / IMPACT	ENTITLEMENTS
	Permanent loss of informal residential structures (physical displacement)	Assistance to legalise structure in accordance with Serbian legislation and, if successful, same compensation as loss of formal residential structure (see above) If the structure is non-legalisable: The right to salvage materials and assistance to transport them to a nearby location of choice AND If the affected person has no other place of residence, a choice of options for adequate housing with security of tenure (e.g. social housing), in cooperation with the social welfare centre AND Resettlement assistance, including moving allowance or assistance to move
	Permanent loss of non-residential structures (e.g. fences, business facilities, workshops) and infrastructure (e.g. irrigation structures)	Cash compensation at full replacement cost AND Moving allowance for movable assets or assistance to move them
	Temporary or permanent loss of business income and/or sources of livelihood (formal and informal) associated with any of the above losses (economic displacement)	Cash compensation for lost net income during the period of transition (until the re-establishment of business/economic activities). AND Livelihood restoration assistance
	Orphan land (a part of a plot of land that is to be left over after expropriation, for which the owner has no economic interest in continuing to use)	If a request of the affected owner of land has been made in accordance with the Expropriation Law (Article 10) and has been declared as being justified based on the expert appraisal report: Cash compensation for orphan land at full replacement cost.



CATEGORY OF AFFECTED PERSON	TYPE OF LOSS / IMPACT	ENTITLEMENTS
<p>Formal user (i.e. lessee)</p> <ul style="list-style-type: none"> those who have formal legal lease rights or who have a claim that is recognised or recognisable under national laws 	Permanent loss of (or access to) publicly owned land Loss of annual / perennial crops and trees	Provision of the use of other corresponding publicly owned land for lease, under the same contractual conditions OR Amendment of lease contract to reflect the loss of the area of land to be acquired for the Project AND The right to harvest OR cash compensation for lost annual / perennial crops / and trees at full replacement cost.
	Permanent loss of (or access to) privately owned land Loss of annual / perennial crops and trees	Information about the permanent acquisition of the land at least three months in advance of land entry, to enable the lessee to find other land for lease. AND The right to harvest OR cash compensation for lost annual / perennial crops / and trees at full replacement cost.
	Permanent loss of access to publicly owned residential structure (state owned apartment)	Provision of the use of other corresponding publicly owned residential structure for lease, under the same contractual conditions AND Resettlement assistance, including moving allowance or assistance to move
	Permanent loss of access to privately owned residential structure (leased apartment/house)	Information about the acquisition of the residential structure at least three months in advance of land entry, to enable the lessee to find other accommodation for lease. AND Resettlement assistance, including moving allowance or assistance to move
	Permanent loss of non-residential structures (e.g. fences, business facilities,	Cash compensation at full replacement cost AND Moving allowance for movable assets or assistance to move them



CATEGORY OF AFFECTED PERSON	TYPE OF LOSS / IMPACT	ENTITLEMENTS
	workshops) and infrastructure (e.g. irrigation structures)	
	Temporary or permanent loss of business income and/or sources of livelihood (formal and informal) associated with any of the above losses (economic displacement)	Cash compensation for lost net income during the period of transition (until the re-establishment of business/economic activities) AND Livelihood restoration assistance
<p style="text-align: center;">Informal user</p> <ul style="list-style-type: none"> those who have no recognisable legal right or claim to the land they occupy, present in the affected area at the time of the census 	Permanent loss of access to land Loss of annual / perennial crops and trees	No compensation for loss of access to land The right to harvest OR cash compensation for lost annual / perennial crops / and trees at full replacement cost.
	Loss of access to residential structures (physical displacement)	If the user has no other place of residence, a choice of options for adequate housing with security of tenure (e.g. social housing), in cooperation with the social welfare centre AND Resettlement assistance, including moving allowance or assistance to move
	Permanent loss of non-residential structures (e.g. fences, business facilities, workshops) and infrastructure (e.g. irrigation structures)	Cash compensation at full replacement cost AND Moving allowance for movable assets or assistance to move them
	Temporary or permanent loss of business income and/or sources of livelihood (formal and informal) associated with any of the above losses (economic displacement)	Cash compensation for lost net income during the period of transition (until the re-establishment of business/economic activities) AND Livelihood restoration assistance