

Bosnia and Herzegovina

Corridor Vc: Subsection

Putnikovo Brdo-Medakovo

Land Acquisition and Resettlement Plan



Bosnia and Herzegovina
Federation of Bosnia and Herzegovina

**Land Acquisition and Resettlement Plan for the
Section: Putnikovo Brdo - Medakovo**

**Public Company Motorways of Federation of Bosnia and
Herzegovina**

Client: European Bank for Reconstruction and Development
Prepared by: ENOVA d.o.o. Sarajevo

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Abbreviations

BiH	Bosnia and Herzegovina
EB	Expropriation Beneficiary
EBRD	European Bank for Reconstruction and Development
FBiH	Federation of Bosnia and Herzegovina
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
PAP	Project Affected People
JPAC/ the Company	Public Company Motorways of the Federation of Bosnia and Herzegovina (<i>Javno preduzeće Autoceste</i>)
PIU	Project Implementation Unit
PR	Performance Requirement

List of definitions and terms used in this document

CENSUS AND SOCIO-ECONOMIC SURVEY	The census is a process for compiling a 100% sample of individuals, households and businesses (formal or informal) which will be physically and/or economically displaced by a project. The socio-economic survey is used to determine and analyse the socio-economic conditions of individuals, households and businesses (formal or informal) which will be physically and economically displaced by a project (<i>see definition of physical and economic displacement below</i>).
CUT-OFF DATE	The date after which anyone who moves into the project area is no longer entitled to compensation and/or assistance.
ECONOMIC DISPLACEMENT	Loss of assets (including land) or access to assets that leads to loss of income or means of livelihood as a result of the project. People or enterprises may be economically displaced with or without experiencing physical displacement.
ENTITLEMENT	Compensation and assistance which affected people have the right to receive during resettlement (<i>see definition of resettlement below</i>). Entitlements are defined for each individual project, and are listed in the form of an Entitlements Matrix, i.e. a table containing information on who is entitled to what type of compensation and/or assistance.
LIVELIHOOD RESTORATION	Measures implemented to mitigate the effects of economic displacement – that is, to improve or, at a minimum, restore livelihoods and standards of living of affected people to pre-displacement levels.
MARKET VALUE	Value calculated based on prices of property in the area in which the particular property is acquired, which can be achieved for a particular property on the market, depending on supply and demand at that moment of setting the price.
MOVING ALLOWANCE	Cash compensation for costs directly associated to moving/relocation of a household or business.
PHYSICAL DISPLACEMENT	Loss of house/apartment, dwelling or shelter as a result of project-related land acquisition which requires the affected person to move to another location.
PROJECT AFFECTED PEOPLE (PAP)	Any person who, as a result of the land acquisition required by the project, loses the right to own, use, or otherwise benefit from a built structure, land, annual or perennial crops and trees, or any other fixed or moveable asset, either in full or in part, permanently or temporarily.
REPLACEMENT VALUE	Market value of the asset plus transaction costs (such as costs of registration, notarisation travel and any other such costs such as may be incurred as a result of the transaction or transfer of property). Compensation at full replacement value is sufficient for the affected person to replace project affected land, structures and other assets to the same or better standard in another location.
LAND ACQUISITION AND RESETTLEMENT FRAMEWORK	A document developed when 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 project development stage. The purpose of a framework is to describe the likely impacts associated with land acquisition and outline the principles which will be followed to address these. Once the individual project components are defined and the required information becomes available, the framework serves as a basis for the development of a detailed plan (<i>see item Land Acquisition Plan below</i>).
LAND ACQUISITION AND RESETTLEMENT PLAN (this document)	The document in which a client specifies the procedures it will follow and the actions it will take to mitigate adverse effects, compensate losses and provide development benefits to persons and communities affected by an investment project. The purpose of the plan is to present to all interested parties, including affected people, who exactly will be affected by land acquisition, how acquisition will be implemented and by whom, as well as the time frame and resources.
ENTITLEMENT	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.
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.
VULNERABLE GROUPS	These groups include people who, by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage or social status, may be more adversely affected by

	displacement than others and who may be limited in their ability to take advantage of resettlement assistance and related development benefits. Vulnerable groups in the context of displacement also include people living below the poverty line, the landless, the elderly, women- and children-headed households, ethnic minorities, communities dependent on natural resources or other displaced persons who may not be protected through national land compensation or land titling legislation.
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1 INTRODUCTION

1.1. Description and Context of the Project

Public Company Motorways of the Federation of Bosnia and Herzegovina (“FBiH”) Mostar (hereinafter: “JPAC” or “the Company”) was established by the *Law on Roads of FBiH*¹ and started to operate as a public company in 2011. On the basis of this Law, JPAC became the implementer of the very complex and important project of construction of the motorway on Corridor Vc which connects Eastern and Central Europe with the Mediterranean coast.

Corridor Vc is a multimodal motorway corridor connecting Hungary (Budapest) and Croatia (Port of Ploče) via Osijek in Croatia and Sarajevo in Bosnia and Herzegovina (BiH), and is also the largest transport infrastructure project in BiH with a total length of about 340 km, with 285 km passing through FBiH. To date, 112.50 km of motorway has been already constructed and is operational. The constructed subsections are: Svilaj-Odžak Zenica Bypass (which encompasses a part of the subsection Tunnel Zenica-Donja Gračanica, subsection Klopče-Donja Gračanica and subsection Drivuša-Klopče) Zenica South-Sarajevo North; Sarajevo North-Sarajevo West; Sarajevo West-Tarčin; Zvirovići-Bijača.

The Corridor Vc motorway is considered as a priority project for BiH, likely to entail major positive economic impacts for the country as a whole. The driving force behind the construction of the motorway is to improve connectivity of BiH with its neighbouring countries and to enhance its potential for economic development. The project has strong support from the government and is expected to enable BiH to better integrate with the European economic and social structure. Other expected direct and indirect benefits include the following:

- increased efficiency in the transportation of goods;
- enhanced trade and economic competitiveness;
- increased opportunity for regional private sector investments;
- employment;
- increased tourism potential; and
- reduce environmental impacts when compared to current traffic routes.

Corridor Vc has been financed by the loan funds of the European Bank for Reconstruction and Development (“EBRD”), the European Investment Bank (“EIB”), OFID - OPEC Fund for International Development and other financial institutions as well as with the funds of JPAC.

The Corridor alignment is divided into four lots, as shown in the map below (Figure 1). An interactive map can be found at this link: <https://mapa.jpautoceste.ba>.

The Section “Putnikovo Brdo-Medakovo” is part of LOT 2 and is situated in the north-east part of BiH (see Figure 1 below), about 120 km north of the city of Sarajevo and just south of the town of Doboje. It is predominantly a rural area with linear villages, and warehouses, small wood and metal processing facilities, and commercial facilities along the regional road.

¹ Official Gazette of FBiH, No. 12/10, 16/10 and 66/13

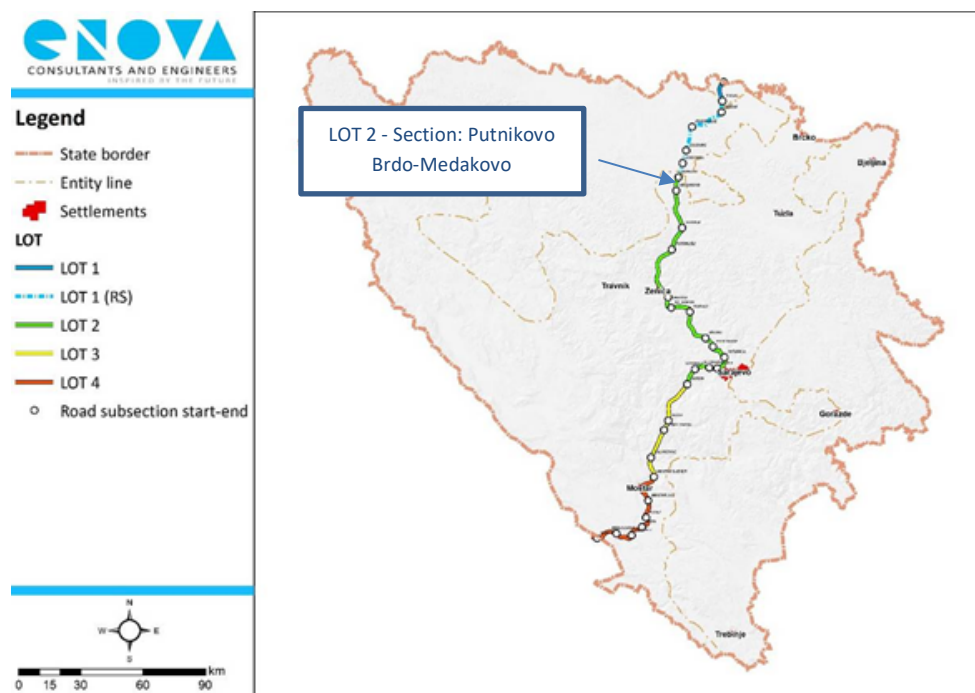


Figure 1 - LOTS of Corridor Vc in Bosnia and Herzegovina

This Land Acquisition and Resettlement Plan (“LARP”) is developed for the section “Putnikovo Brdo-Medakovo”.

1.2. Scope and Purpose of this Land Acquisition and Resettlement Plan

The Company has prepared and adopted this LARP with the aim of outlining the general principles, procedures and entitlement framework, in conformance with:

- the laws and regulations in force in FBiH, in particular the Expropriation Law of FBiH,
- Land Acquisition and Resettlement Framework (LARF) from March 2017²
- EBRD’s Environmental and Social Policy 2019³, particularly Performance Requirement (“PR”) 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement⁴.

This LARP has been prepared based on the 2019 Expropriation Study and 2020 Amendments to the Expropriation Study, as well as on the basis of the LARF developed in 2017. The LARP provides more precise details about the Project Affected People (“PAP”), the eligibility criteria and the procedures that must be followed by the Company, as well as the review of the activities that were and will be undertaken for the proper resettlement and compensation of people and communities affected by the Project. The LARP also include a detailed budget and timeframe.

It should be noted that some land acquisition activities were already undertaken for this section “Putnikovo Brdo-Medakovo” before this LARP was developed. Therefore, this LARP **also documents the results of an assessment of the activities already carried out** by the Company for this section. These activities were carried out in compliance to the key land acquisition / compensation principles which were specified in the LARF.

² Available at: <http://ipautoceste.ba/images/larf.pdf>

³ The full text of the Policy is available in both English and Bosnian/Croatian/Serbian at: <http://www.ebrd.com/news/publications/policies/environmental-and-social-policy-esp.html>

⁴ As EBRD and EIB requirements are considered to be broadly similar, the information provided in this LARP is considered to be wholly relevant to EIB requirements as well. It is acknowledged that some of the terminology used may differ.

2 BRIEF DESCRIPTION OF SECTION “PUTNIKOVO BRDO – MEDAKOVO”

The section “Putnikovo Brdo-Medakovo” starts at the border between FBiH and Republika Srpska, just after the exit from the tunnel “Putnikovo Brdo”. The proposed Motorway corridor sits in hilly upland bounding the valleys of the Usora and Tešanjka rivers, and a wide flat alluvial terrain along the River Usora. Lower parts of the area are dominated by agricultural land while the upland is covered by deciduous forestlands and pasturelands. It is a predominantly rural area with a number of linear villages formed along the regional road M-4 passing along the right bank of the River Usora, and several local roads. This section has a total length of 8.553,212 m.

Two intersections are planned on the section: the intersection “Usora” which connects to the relocated main road M-4 and the intersection “Medakovo” which connects to the local road Tešanjka-Medakovo. Figure 2 below shows these intersections.

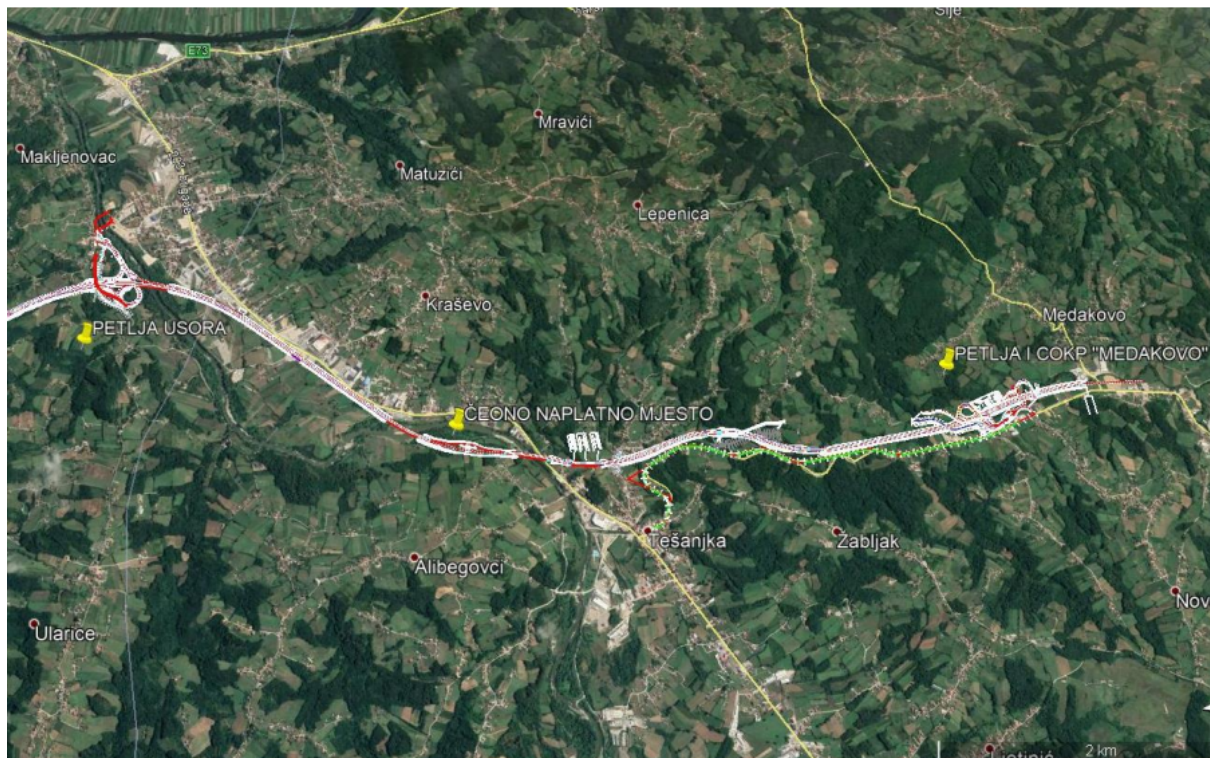


Figure 2 – Section “Putnikovo Brdo-Medakovo”

A total of 5 landfill sites are envisaged for the disposal of excavated material during construction of this section (Figure 3). Locations for the landfills are also subject to this LARP.

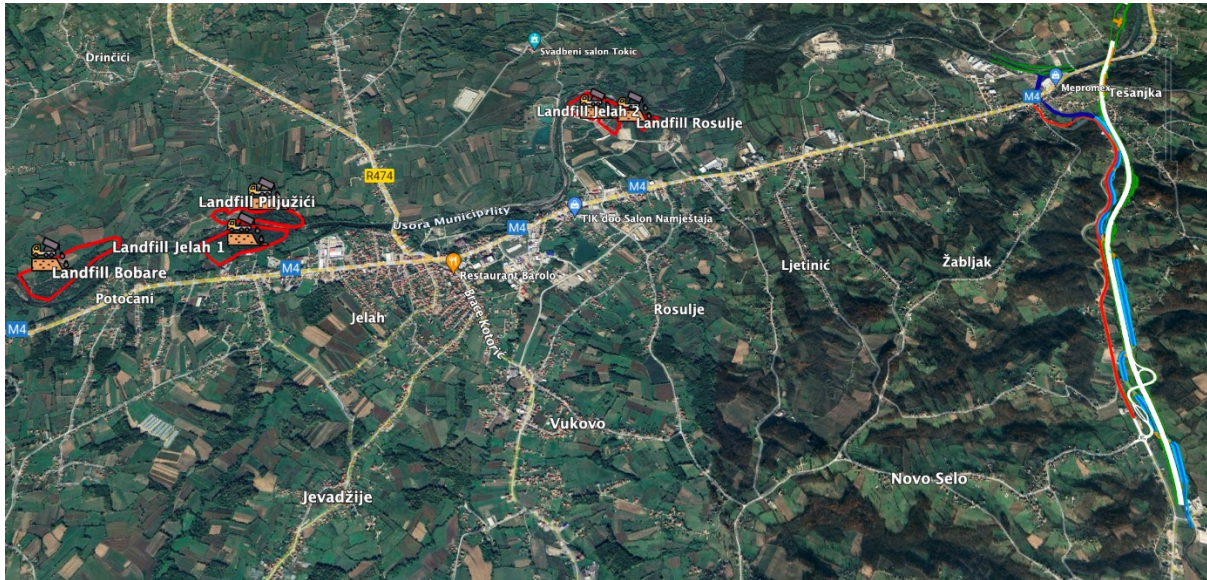


Figure 3 – Locations of landfill sites for excavation materials, source: ENOVA

The Putnikovo Brdo-Medakovo section is in line with the Spatial Plan of Zenica-Doboj Canton (2009-2023)⁵ and the Spatial Plan of the Area of Special Characteristics of Importance for FBiH "Highway on Corridor Vc".

The Main Design for the section was developed by IPSA Institute d.o.o. Sarajevo and reviewed in line with the requirements of Rulebook on Review and Compliance of Project Documentation⁶ by the Civil Engineering Institute "IG" d.o.o. Banja Luka.

⁵ Official Gazette of Zenica-Doboj Canton, No. 04/09, 06/09 and 05/10

⁶ Official Gazette of FBiH, No. 58/14 and 2/16

3 LAND ACQUISITION PROCESS AND TIMELINE

This chapter provides information about all land acquisition, procurement and permitting activities for the Project in the period from 2017 to 2022.

3.1. Responsibility for Land Acquisition Activities

Land acquisition activities were initiated by JPAC as the expropriation beneficiary. These activities were carried out by JPAC's Department of Legal and Property Affairs in Sarajevo.

The municipalities of Tešanj, Usora and Doboj-Jug were the expropriation authorities for the affected land plots.

3.2. Activities in 2017-2019

The LARF for Corridor Vc was developed in 2017 in line with EBRD requirements. Preparatory activities for initiating the expropriation process on the section “Putnikovo Brdo-Medakovo” were undertaken by the Company in 2019 by the **development of an Expropriation Study**⁷.

Based on the Expropriation Study, the FBiH Government issued the **Decision on Public Interest** for the Project in December 2019, as this was the pre-condition to start the process of expropriation in the following two years (which represents the validity period of the Decision).

3.3. Activities in 2020

Land acquisition process

In January 2020, as required by the Law on Expropriation, the Company **attempted to conclude negotiated settlements** with PAP for transfer of ownership on affected land plots and assets prior to the official beginning of the land acquisition process. A public notice was published in the daily newspapers “Dnevni avaz” and “Dnevni list”, as well as on the website of JPAC⁸, to invite PAP and facilitate such settlements. It was specified that the notice was applicable to properties for which data enlisted in the land books and data enlisted in the cadastral office are harmonised – as that is the legal condition defined by the mentioned Law. In general, this legal instrument is rarely used in practice as this legal condition is rarely met (data are not harmonised). Even though the public notice was published, no settlements were ultimately reached based on the public notice.

The Company, as the expropriation beneficiary, started the expropriation process by **submitting proposals for expropriation to the municipalities** of Tešanj, Usora and Doboj-Jug as the expropriation authorities. The proposals for all municipalities were submitted in January 2020. The proposals contained data for affected properties, the owners/users of such property and the purpose for which expropriation was proposed.

After the initiation of the expropriation process, it was established that the Main Design would have to be changed due to the need to design new access roads and other accompanying facilities of this section. For this purpose, the company IPSA Institute d.o.o. Sarajevo was engaged in 2020. It developed the **modified Main Design** for the section "Putnikovo Brdo-Medakovo" in August 2020, which was then reviewed by Civil Engineering Institute "IG" d.o.o. Banja Luka. On the basis of the modified Main Design, the IPSA Institute also prepared a **modified Expropriation Study** in September 2020.

Additional consultations regarding these changes to the Main Design were not organised with local communities or PAP, but only with the Municipality of Tešanj. During these consultations with the Municipality, the locations for future landfills were selected, which are mainly located along the Usora River. The main reason for choosing

⁷ The Study was developed by the company "Zedis" d.o.o. Zenica for the municipalities of Tešanj, Usora and Doboj-Jug in August 2019.

⁸ <https://www.jpautoceste.ba/wp-content/uploads/2020/01/javni-oglas-radi-sporazumnog-pribavljanja-nekretnina-dionica-Putnikovo-Brdo-Medakovo.pdf>

the locations was to regulate critical points along the Usora River, where flooding often occurs, by disposing the excavated materials. The Municipality determined the most suitable locations for landfills and gave consent to those locations.

Following these changes, the Company submitted **new proposals for expropriation** to all three municipalities, which included all the changes.

During 2020, **all three municipalities appointed Land Acquisition Committees⁹** as follows:

- In the Municipality of Doboj-Jug on January 29, 2020,
- In the Municipality of Tešanj on February 02, 2020,
- In the Municipality of Usora on August 19, 2020.

The appointment of Land Acquisition Committees was followed by the **appointment of independent official court experts** for the assessment of affected properties in each of the mentioned municipalities¹⁰.

The **municipalities notified the PAP individually about the submitted proposals** for expropriation. The **cut-off date** for the establishment of eligibility was the date when the PAP were individually notified (as defined by the Law on Expropriation).

All three municipalities organised and held separate **individual hearings with PAP** to discuss ownership status and compensation for affected properties through agreements. The hearings with PAP were held on-site, i.e. at the affected properties, in the presence of officials from the municipality and the Company. Each hearing was documented in writing. PAP were informed of their right to appeal against the Decisions on Expropriation to the Federal Administration for Geodesy and Legal Property Affairs.

Independent court experts for valuation of property (agricultural experts and construction experts) conducted valuation of the existing state of land plots and assets on land in line with the provisions of the Law on Expropriation, the Company's guidelines regarding the EBRD PR 5 and the LARF. These activities were carried out at the end of 2020 and continued during 2021.

During 2020, land acquisition process was completed at approx. 10%.

3.4. Activities in 2021

Land acquisition activities completed

In the beginning of 2021, the Company prepared a conceptual proposal which involved some modifications to the 2020 Main Design aimed at widening the route at some points and also envisaged locations of the landfills for disposal of excavation materials. Based on that, **updated Main Design was developed in July 2021** by IPSA Institute d.o.o. Sarajevo, followed by the **supplementation of the Expropriation Study** based on these changes. Since the spatial planning documents do not specify the detailed route of this section, it was possible to adjust the route.

In September 2021, the **Urban Consent** for this section was issued by the Federal Ministry of Physical Planning.

⁹ These committees are temporary working bodies established by the decisions of municipal mayors (not required by law). Committees are formed with the aim of more efficient coordination and implementation of the expropriation procedure in every municipality. Committee members are appointed from among the employees of each municipality and do not include PAP representatives.

¹⁰ In the Municipality of Tešanj Decision on the appointment of agricultural expert No.04-02-27-135/20 from August 19, 2020 and Decision on the appointment of construction expert No.04-02-27-134/20 from August 19, 2020, in the Municipality of Usora Decision on the appointment of agricultural expert No. 06-27-3-1854-7/20 from October 09, 2020 and Decision on the appointment of construction expert No. 06-27-3-1854-7/20 from October 09, 2020, and in the Municipality of Doboj Jug Decision on the appointment of agricultural expert No.05-27-85-3/20 from January 29, 2020 and Decision on the appointment of construction expert No.05-27-85-4/20 from January 29, 2020.

During 2021, the land acquisition process continued and was completed at 85% for all land plots located along the section “Putnikovo Brdo–Medakovo”.

3.5. Activities in 2022

In 2022, the process of land acquisition was completed up to 95%. The remaining percentage of 5% refers to a small number of land plots for which expropriation procedures have not been initiated by municipalities or for which court proceedings are still pending to determine compensation.

Throughout the process, affected owners were informed of their right to appeal, as defined by the Law on Expropriation and the LARF, including administrative and judicial appeals against the decision on public interest, the decision on expropriation and regarding compensation. No additional broader community consultations were held outside those who were directly impacted. Regarding the established grievance mechanism, only one complaint was received, which was related to the impossibility of continuing to live in a residential building located in the immediate vicinity of the planned project area (please see Chapter 6.1 for more details about this case). Court cases are further explained in section 11.3 (Grievances and Disputes Received to Date).

Negotiated settlements have not yet been concluded with owners of 19 land plots (the majority of these land plots (18) were in the Municipality of Tešanj and 1 land plot in the Municipality of Usora). For 10 land plots, court proceeding have been completed and compensation determined, while court proceedings are still pending for 9 land plots to determine compensation.

During 2022, the Company requested from the Federal Ministry of Physical Planning an **amendment to the Urban Consent** which was issued in November 2022. Also, in November 2022, a **Construction Permit** for this section was issued by the Federal Ministry of Physical Planning.

The **tender procedure for the selection of contractor** who will perform construction works for this section was completed in November 2022. The company Euro-Asfalt d.o.o. Sarajevo was selected¹¹.

¹¹ On November 11, a contract was signed between JPAC and Euro-Asfalt. Available at: <https://www.jpautoceste.ba/potpisan-ugovor-za-izgradnju-dionice-autoceste-putnikovo-brdo-medakovo/>

4 LOCAL LAWS/REGULATIONS AND EBRD REQUIREMENTS

4.1. Law on Expropriation of FBiH

The *Law on Expropriation of FBiH*¹² regulates the conditions and procedure for expropriation of property for construction of facilities in public interest, compensation eligibility and amounts, handling of grievances and disputes handling and other issues pertaining to the expropriation process.

The key provisions of the Law may be summarised as follows:

<i>Public interest and purpose of expropriation</i>	Property can only be expropriated upon the establishment of public interest for projects that bring greater benefit for the public (Art. 3 and 5). The Law lists several structures the construction of which justifies expropriation (including road projects). Public interest is declared by a special decree, a law or a spatial/urban plan. Expropriation may be carried out for the needs of FBiH, cantons, cities, municipalities, public enterprises and public institutions, unless otherwise provided by the Law.
<i>Expropriation process</i>	<p>A condition to start expropriation is the existence of evidence that the required funds have been secured and deposited with the bank in the assessed total sum for payment or proof of existence of replacement properties (Art. 24).</p> <p>The procedure for expropriation starts with a proposal for expropriation, submitted by the Expropriation Beneficiary to the relevant Municipality (“the expropriation authority”). The proposal contains data on the property for which expropriation is proposed, the owners of such property and the purpose for which expropriation is proposed.</p> <p>Negotiated settlements are explicitly encouraged by the Law (Art. 23). The expropriation beneficiary is required to publish a public announcement to invite the property owners and try to reach a prior amicable sale-purchase agreement with the affected owner. The signed agreement on compensation has to include the timing and rate at which cash compensation will be paid or in-kind compensation provided (Art. 26). If no agreement on compensation is reached within 2 months of the validity of the Decision on Expropriation (or less if the Municipal Administration decides as such), the Municipal Administration submits the valid Decision together with other relevant documents to the competent Court, at the territory of which the expropriated real property is located, for the purpose of determining the compensation. The competent court ex officio decides in non-contentious proceedings on the amount of compensation for the expropriated real property.</p>
<i>Process of identifying factual owners/users:</i>	After the submission of the expropriation proposal by the expropriation beneficiary to the municipality, the municipality appoints a committee for conducting the expropriation procedure. The committee is responsible for resolving the so-called “preliminary issue”, i.e. the issue of ownership, prior to issuing the decision on expropriation, which is the result of out-dated information in land registry books (the person registered in the land registry is different from the actual owner/user who may be the heir, the person who purchased the property but failed to report such transfer, etc.). The committee organizes a site investigation in the presence of the expropriation beneficiary, official court valuers of property and the identified property owner and user, and informs the participants that public interest has been declared for the project and that an expropriation proposal has been submitted. A written record of the site investigation is prepared. The committee also invites the identified owners and users, organizes a meeting in the municipality and issues a decision on the resolution of the preliminary issue (i.e. identifies the actual and current owner or user to whom the compensation will be provided). As the last step, the committee issues a decision on expropriation on the basis of the mentioned record and the documentation submitted together with the expropriation proposal. Affected people are entitled to lodge a complaint against this decision with the municipality, which is forwarded to the Federal Administration for Geodetic and Property Affairs as the second instance authority.
<i>Information and consultation requirements:</i>	Prior to the submission of the expropriation proposal, the expropriation beneficiary is required to publish a public announcement and invite all property owners for purposes of attempting a negotiated settlement (Art. 23). Affected owners are informed throughout the expropriation process, i.e. that a proposal for expropriation has been submitted (Art. 25). Before the decision on expropriation is passed, the Municipal/City authority has to invite the affected persons with formal legal rights to a meeting to present any facts which may be relevant for expropriation (Art. 27).

¹² Official Gazette of FBiH, No. 70/07, 36/10, 25/12 and 34/16

<p><i>Types of expropriation:</i></p>	<p>Expropriation can be temporary (incomplete) or permanent (complete).</p> <p><u>Complete expropriation</u> allows the expropriation beneficiary to obtain legal title over the expropriated property, while the rights of the previous owner over the real property as well as other rights over that real property cease to exist.</p> <p><u>Incomplete expropriation</u> does not entail change of ownership of land. It provides the beneficiary with usufruct rights on the land and structures, as well as the lease of the land for a definite period. At the end of the lease, usufruct rights over land are returned to the previous owner.</p> <p>Right to request expropriation of remaining unviable land. Landowners affected by a partial loss of their real properties are entitled to request complete expropriation and the corresponding compensation, in case that partial expropriation would deteriorate the economic situation of the actual property owner or make the remaining part of the property useless or difficult to use (Art. 11). Owners must be informed of such right by the municipal/city authority. The right to request expropriation of the complete property may be submitted until the issuance of the Decision on Expropriation in the first instance, as well as during the appeal procedure if the affected owner was not informed of such right.</p>
<p><i>Temporary occupation of land</i></p>	<p>The Law also regulates temporary occupation of land for construction purposes. Land occupation must be requested by a formal proposal indicating its purpose, the property proposed to be used, the owner of the property and the duration (Art. 36). Municipal authorities decide on the approval for land occupation. Compensation must be provided in the amount of lease at market prices (Art 57 and 58).</p>
<p><i>Compensation</i></p>	<p>Compensation is provided at market value of the affected property (Art. 12), determined on the basis of prices of property in the given area, calculated as the market price which could be achieved for a specific real property, depending on the supply and demand at that particular moment in time (Art. 46).</p> <p>The Law sets out in detail how compensation is determined for buildings, orchards and vineyards, forest land and timber, agricultural, construction and city land.</p> <p>As a rule, appropriate replacement property is preferred by the Law (Art 45). It is defined as property in the same municipality or city which corresponds to the expropriated property in terms of the market value, and which offers approximately similar conditions of usage as they had had prior to expropriation. In case the property owner refuses such replacement property, or replacement property cannot be provided, compensation is paid in cash at market value of the property (Art 46). The market value is based from the property prices in the area where the expropriated property is located, which can be achieved for the specific property in the market, and which depends on the demand and supply at the time of determining it. Property owners are entitled to compensation for any losses of benefits they would otherwise have from that property (Art. 54).</p> <p>Compensation at market value is generally provided to the owners of buildings and land which are registered in the Land Register, the so-called formal owners. Owners of informally built structures are not entitled to receive the compensation. The owners of informal structures may demolish the structure and take away the materials within the time set by the responsible administrative department. Otherwise, the structure shall be removed at the expense of the owners of informally built structures. The exception from this rule is when an illegally built residential building is the only residential building the owner and their closest family members (right to home) or their legal heirs possess, in which case they are entitled to the compensation at market value. Conditions for recognition of the right to compensation to an owner of an informally built structure, in addition to the above, include:</p> <ul style="list-style-type: none"> • that the responsible authority had not issued a final decision to remove the illegally built residential structure, • that the illegally built residential structure is registered on the official orthoimage of the territory of FBiH in the scale of 1:5000 developed by the Federal Administration for Geodetic and Property Affairs, • that the illegally built structure is the only home of the owner and members of their closest family, or their heirs. <p>Property owners are also entitled to additional compensation (Art 47):</p> <ul style="list-style-type: none"> • based on “personal and family circumstances”, which are taken into consideration if such circumstances are essential for the owner’s livelihood, particularly in case a major part or whole of the land or commercial premises have been expropriated, thus endangering the livelihood of the former owner, or in case members of an agricultural household must move from the area where they had been living;

	<ul style="list-style-type: none"> lost profit: the former owners are entitled to the lost profit they would have earned if they had continued using the expropriated property. Lost profits are calculated from the date the owner lost possession of the property until the date he/she received compensation. <p>According to this, compensation may be increased above the market value. Both types of entitlements are defined on a case-by-case basis.</p> <p>Compensation costs are borne by the Expropriation Beneficiary (EB). Compensation arrangements must be settled prior to the formal transfer of ownership of the expropriated property. In exceptional cases involving the construction/reconstruction of public infrastructure facilities, the Government of FBiH may allow taking possession of property prior to the effectiveness of the decision on expropriation or the payment of compensation, at the request of the EB and due to reasons of urgency or prevention of more significant damage. The exception does not apply to residential or commercial structures for which an equivalent replacement has not been provided by the EB. In such event, the EB is required to inform the affected owner of its intention to request the taking possession of property.</p>
<i>Access to property</i>	<p>For reasons of urgency and in order to avoid major damage, the expropriation beneficiary may take possession of land even before the Decision on Expropriation becomes final and before compensation is paid, but solely on the basis of a decision by the FBiH Government (Art 31). Prior to submitting a request to gain early access, the expropriation beneficiary must present to the owner the reasons for the urgency and an offer a negotiated settlement that allows early access to the property.</p> <p>The request for an early access to property is submitted to the Administrative Commission of the FBiH Government, while the Federal Administration for Geodetic and Property Affairs prepares the decision. The decision on early access to property is adopted by the FBiH Government.</p> <p>If the case involves expropriation of a residential or commercial structure, the expropriation beneficiary may not file a request for an early access unless a replacement property is secured.</p> <p>An administrative dispute may be initiated against the Decision of the FBiH Government which allows early access. The dispute does not delay early access to the property.</p>
<i>Grievance procedure</i>	<p>The Law foresees the rights of affected citizens to appeal at many stages of the expropriation procedure, beginning with administrative and judicial appeals (i.e. against the decision on public interest (Art. 16), the decision on expropriation (Art. 30) and regarding compensation (Art. 60). <u>Explained in detail in section 11.2, Grievance procedure in FBiH.</u></p>

4.2. Other Related Legislation of FBiH

- The *Law on Proprietary Rights*¹³ regulates the general issues of acquiring, using, disposing of, protecting and terminating ownership rights and other proprietary rights and possession rights, including the issues of restricting such rights, the right of servitude, co-ownership and joint ownership rights, the procedure for acquiring property rights over land and/or structures erected on someone else's land. The Law states that ownership rights and other proprietary rights may only be limited or taken away in public interest and under the conditions defined by the Law in accordance with the principles of international law. A significant provision of the Law is that occupants of property acquire ownership rights upon 10 years of conscientious and legal occupancy, or upon 20 years of conscientious occupancy. In addition, the Law provides that the conscientious builder of a structure on land owned by another person is entitled to acquire such land, if the landowner did not oppose the construction. The landowner is in this case entitled to request to be compensated for the market value of the land.
- The *Law on Construction Land of FBiH*¹⁴ allows for the legalization of informally constructed structures on construction land in state ownership on which a structure has been built. This Law enables the subsequent issuing of a permit for construction, by the Municipal Council, in accordance with the Law

¹³ Official Gazette of FBiH, No. 66/13 and 100/13

¹⁴ Official Gazette of FBiH, No. 25/03, 16/04 and 67/05

on Spatial Planning. Legalisation of informally constructed buildings is further regulated by decrees taken at cantonal level, and implemented at municipality/city level.

- The *Law on Agricultural Land of FBiH*¹⁵ contains the basic definitions and principles regarding the management, protection, use, planning, and records related to agricultural land. The Law provides that a right of way may be established on agricultural land, as decided by the city or municipal council. The owners of such land are entitled to compensation in accordance with the Law on Expropriation.
- The *Law on Extra-Judicial Proceedings of FBiH*¹⁶ prescribes the rules by which courts decide upon personal, family, property-related and other rights and legal interests resolved in extra-judicial proceedings. The courts determine the amount of compensation for expropriated property in extra-judicial proceedings. The petitioners may conclude an agreement about the compensation form and range, i.e. the amount of compensation, and the court will then base its decision on such agreement, if the court finds that the agreement is not contrary to the regulations which prescribe the proprietary rights over real estate.
- The *Law on Administrative Proceedings of FBiH*¹⁷ is applied in the procedure of expropriation as a subsidiary law to the Law on Expropriation. It regulates the procedures the administrative authorities apply when deciding on rights and obligations of the citizens. Parties have the right to appeal the decisions issued in the first instance. The law offers the opportunity of appointing the temporary representative if, for example, the residence of the owner of property being expropriated is unknown. The temporary representative shall be appointed by the body conducting the procedure if so required by the urgency of the case. If the temporary representative were appointed to act on behalf of a person whose residence is unknown, the authority conducting the procedure shall publish their conclusion on the bulletin board or in another usual way (in newspapers or other media outlets).
- The *Law on Land Registration of FBiH*¹⁸ regulates keeping, maintenance and setting up of land registries, as well as the registration of real estate and proprietary rights in land registries in FBiH. Proprietary rights and other rights come into effect only upon registration in land registry. In the expropriation process, the issued Decision on Expropriation accompanied with the evidence of payment shall be considered the legal basis for registration of the expropriation beneficiary as the owner. In addition, expropriation may be registered in the form of conditional registration.
- The *Law on Land Survey and Cadastral of Property in FBiH*¹⁹ regulates survey of land, buildings and other structures, establishment and maintenance of registry of land, buildings and other structures, records and registration of property. Records of property possessors are kept in the land registry.
- The *Law on Social Protection, Protection of Civilian War Casualties and Protection of Families with Children*²⁰ of FBiH regulates social welfare, which in terms of this law is an organized activity in the Federation, aimed at ensuring the social security of its citizens and their families in need. The persons or families in need due to a forced migration (among others²¹) are entitled to a temporary, one-off and other financial assistance or natural assistance if they meet two conditions:

¹⁵ Official Gazette of FBiH, No. 52/09

¹⁶ Official Gazette of FBiH, No. 2/98, 39/04, 73/05, 80/14 and 11/21

¹⁷ Official Gazette of FBiH, No. 2/98 and 48/99

¹⁸ Official Gazette of FBiH, No. 19/03 and 54/04

¹⁹ Official Gazette of SRBH, No. 22/84, 12/87, 26/90 and 36/90 and Official Gazette of SRBH, No. 4/93 and 13/94

²⁰ Official Gazette of FBiH, No. 36/99, 54/04 and 39/06

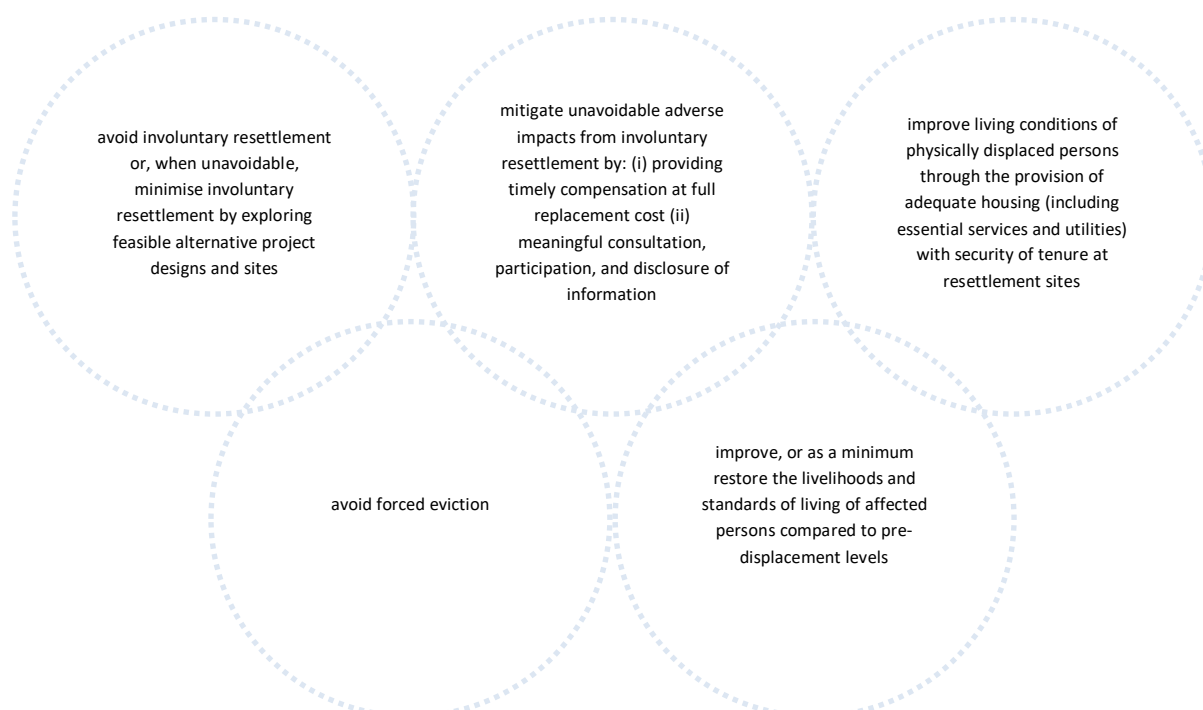
²¹ A person or family in need, which is due to special circumstances require an appropriate form of social welfare, in terms of Article 12,

- they do not have enough income to support themselves,
 - they do not have family members who are legally obligated to support them, or if they have, that these persons are not able to support them.
- The *Law on Gender Equality in BiH*²² promotes and guarantees the equal treatment of sexes and equality of opportunities for all in both the public and private domain, and prohibits direct and indirect discrimination on grounds of gender.
 - The *Law on Prohibition of Discrimination*²³ passed at national level stipulates the responsibilities and obligations of the legislative, judicial and executive powers in BiH, as well as the legal persons and individuals carrying out public authority, to act in a way that shall provide protection, promotion and creation of conditions for equal treatment of all citizens, particularly with regards to: employment, membership in professional organizations, education, training, housing, health, social welfare, goods and services intended for the public and public places, and performance of commercial activities and public services.

4.3. EBRD Policy Requirements

When developing this LARP, the principles and provisions from the *2019 Environmental and Social Policy of the EBRD* were applied. The Policy contains 10 PRs. The PR 5 refers to the Land Acquisition, Restrictions on Land Use and Involuntary Resettlement. Implementation of this PR 5 is in line with the universal compliance and implementation of human rights and freedoms, specifically the right to adequate residential premises and continuous improvement of the living conditions.

Key objectives of the PR 5 are:



paragraph 1, item 9) of this Law, is a person or family who finds himself in a state of social needs due to a forced migration, repatriation, natural disaster, the death of one or more family members, return from medical treatment, release from prison or execution of the educational measure (Article 18.)

²² Official Gazette of BiH, No. 16/03 and 102/09

²³ Official Gazette of BiH, No. 59/09 and 66/16

Key requirements of PR 5 are the following:

- All feasible alternative project designs should be considered to avoid or at least minimise physical and/or economic displacement. It is especially important to avoid physical or economic displacement of those socially or economically vulnerable. However, avoidance may not be the preferred approach in situations where public health or safety would be adversely affected as a result. ;
- Forced eviction should be avoided. The exercise of eminent domain, expropriation, compulsory acquisition, or similar powers is not considered forced eviction if it complies with national law and EBRD Policy and is carried out in accordance with basic principles of due process (including provision of adequate advance notice, meaningful opportunities to lodge grievances and appeals, and avoidance of the use of unnecessary, disproportionate or excessive force);
- Negotiated settlements are encouraged to help avoid or minimising expropriation;
- The impacts on vulnerable groups must be identified, assessed, and addressed appropriately;
- The impacts of land acquisition, land use restrictions, and involuntary resettlement on men and women should be analysed and considered when it comes to compensation, consultation, and livelihood improvement or restoration;
- A socio-economic baseline assessment on people affected by the project, including impacts related to land acquisition and restrictions on land use, and a detailed census must be carried out for each project. It is very important to establish precise cut-off date for eligibility;
- Valuation shall be at full replacement cost and shall be performed by qualified valuers.
- Affected persons will be provided with compensation²⁴ at full replacement cost and any other assistance that may be required to help them improve or at least restore their standards of living and livelihoods in cases where land acquisition or restrictions on the use of land, other assets, and natural resources (whether permanent or temporary) cannot be avoided.
- Affected persons and communities, must be consulted and involved from the earliest stages and through all resettlement activities to facilitate their early and informed participation in decision-making processes related to resettlement;
- An effective grievance mechanism must be established as early as possible in the land acquisition and resettlement process and at the latest prior to the census taking place in order to address specific concerns about compensation, relocation or livelihood restoration measures raised by displaced persons (or others) in a timely manner.

²⁴ “Compensation” refers to payment in cash or in kind for loss of land, other assets or natural resource and access thereto, that are acquired or affected by the project.

5 ANALYSIS OF GAPS AND SOLUTIONS

The table below presents the analysed gaps between EBRD PR5 and the Law on Expropriation, with solutions to bridge these gaps to ensure compliance of land acquisition procedure with EBRD requirements.

Table 1: Gaps and solutions

<i>Issue</i>	<i>EBRD requirement</i>	<i>Gap between EBRD requirement and local legislation</i>	<i>Measures/comments to bridge the gap</i>
Avoiding involuntary resettlement	<p>Involuntary resettlement in terms of PR 5 occurs:</p> <ul style="list-style-type: none"> - In case of expropriation on the basis of the law and the right of the state to acquire assets from physical or legal persons or to restrict their rights to such assets upon establishment of public interest for construction of a structure; - In case of negotiated resettlement when the client can resort to expropriation or impose legal restrictions if negotiations with a project affected person fail. <p>PR 5 requires the client to explore all feasible alternative project designs to avoid or minimise the physical or economic displacement of people. Furthermore, the Client is expected to seek to acquire property through negotiated settlements by providing fair and appropriate compensation even if they have the legal means to gain access to the land through expropriation procedure.</p> <p>Efforts should be made to avoid involuntary resettlement, and where it is inevitable, such resettlement should be minimised through appropriate mitigation measures in order to alleviate adverse effects on project affected persons.</p>	<p>While the Law on Expropriation does not contain specific provisions on avoidance of expropriation, project designing processes typically seek to avoid or minimise resettlement and expropriation in practice within efforts to reduce costs.</p> <p>Furthermore, JPAC as the beneficiary of expropriation has the legal obligation to seek to achieve negotiated settlements. This provision of the Law makes a reference to a purchase agreement as a way to avoid the expropriation procedure and directs the parties to regulate their mutual relations with respect to the purchase of properties in accordance with the Law on Obligations.</p> <p>Efforts to achieve negotiated settlements open up the possibility to design an offer for displaced persons in compliance with PR 5.</p>	<p>The Law allows the expropriation beneficiary to reach a negotiated settlement on the amount and type of compensation with property owners, until the Decision on Expropriation becomes final. In that case, the expropriation procedure is terminated.</p> <p>JPAC makes maximum efforts to sign negotiated settlements with PAP in order to avoid the expropriation procedure, and such efforts are documented.</p>
Negotiated settlements	<p>Clients are expected to seek to acquire property through negotiated settlements by providing fair and appropriate compensation even if they have the legal means to gain access to the land through expropriation procedure.</p>	<p>Expropriation beneficiaries are legally required to seek to achieve negotiated settlements. The Law makes a reference to a purchase agreement as a way to avoid expropriation (see above).</p>	<p>Same as above.</p>
Resettlement planning and implementation	<p>PR 5 requires the Client carry out a socio-economic baseline assessment on project affected people, in order to identify impacts related to land acquisition and restrictions on land use and develop appropriate actions to minimise and mitigate resettlement impacts.</p> <p>PR 5 also requires preparation and implementation of detailed land acquisition plans.</p>	<p>The Law has no explicit requirements related to socio-economic surveys or development of resettlement plans.</p> <p>However, with a view of facilitating expropriation in an early phase, the Law requires development of an expropriation study which includes a geodetic and cadastral plan of the area identified for expropriation, list of affected owners and properties, evaluation of the property value, and other related information.</p> <p>The scope of the expropriation study is not, however, identical to the socio-economic baseline assessment as required by PR 5.</p>	<p>The expropriation proposal prepared by the expropriation beneficiary has to include information on affected properties, but there are no explicit requirements in the Law related to socio-economic surveys or development of resettlement plans.</p> <p>However, the development of this LARP included a socio-economic survey and census with the purpose of identifying both formal and informal land/property users as well as</p>

Issue	EBRD requirement	Gap between EBRD requirement and local legislation	Measures/comments to bridge the gap						
			vulnerable persons/ households, in line with EBRD requirements.						
Cut-off date	PR 5 requires that the client establish a cut-off date for eligibility and that the cut-off date is communicated throughout the project area.	There are no differences with respect to determining the cut-off date (the date after which persons who take residence in the project area are not eligible to a compensation and/or assistance) between PR 5 and the national legislation.	There are no differences with respect to determining the cut-off date or communicating it to PAP between PR 5 and the national legislation. The cut-off date for the establishment of eligibility was the date when the PAP were notified by municipalities that JPAC submitted the Expropriation Proposal. For structures built without permits or not registered in the land registry, the cut-off date was the date of the socio-economic survey.						
Avoidance of forced eviction ²⁵	<p>PR 5 guarantees protection from forced eviction.</p> <p>The exercise of eminent domain, expropriation, compulsory acquisition or similar powers is not considered to be forced eviction providing it complies with the requirements of national law and the provisions of this PR and is conducted in a manner consistent with basic principles of due process (including provision of adequate advance notice, meaningful opportunities to lodge grievances and appeals, and avoidance of the use of unnecessary, disproportionate or excessive force).</p>	There are no differences between PR 5 and the Law on Expropriation regarding force eviction. The Law foresees the possibility of early access into the property. However, the procedure in that case is clearly determined by law and cannot be applied if it includes a residential structure, without first securing adequate housing with security of tenure.	<p>No gaps have been identified that would conflict with the provisions of PR5 regarding forced eviction.</p> <p>For the purposes of this Project, the institution of early access to property with residential building has not been and will not be applied.</p>						
Compensation for displaced persons	<p>The main requirement of PR 5 is that all displaced persons receive compensation for loss of assets at full replacement cost and other assistance in order to restore, and potentially improve, their standards of living and/or livelihoods to pre-displacement levels.</p> <p>Project affected persons in terms of PR 5 may be classified as persons:</p> <table><tr><td></td><td>Categories of project affected persons</td><td>Rights</td></tr><tr><td>a)</td><td>Those who have formal legal rights to the land (including customary and traditional rights recognised under national laws)</td><td>Right to compensation for loss of assets at replacement cost</td></tr></table>		Categories of project affected persons	Rights	a)	Those who have formal legal rights to the land (including customary and traditional rights recognised under national laws)	Right to compensation for loss of assets at replacement cost	<p>There are no differences between PR 5 and the Law on Expropriation with respect to the principle of determining the type of compensation, given that the Law favours allocation of a replacement property of equal value, and if the beneficiary of expropriation does not have appropriate property, it will offer cash compensation at market value of the property.</p> <p>However, there are two major differences between PR 5 and the Law on Expropriation.</p> <p><u>The first difference</u> is the category of persons who are entitled to compensation. The Law refers to formal owners of property with the exception of “informally built houses for which the responsible authority did not issue a final decision on removal, and which are the only housing unit of their owners and members of their closest</p>	<p>Compensation for this project has been and will be provided in line with EBRD requirements. Specific entitlements are listed in the Entitlements Matrix.</p> <p>Illegally constructed structures that were successfully legalised before the date of the Decision on Expropriation are considered as fully legal in line with the Law on Expropriation.</p> <p>No informally built structures were identified during the census.</p>
	Categories of project affected persons	Rights							
a)	Those who have formal legal rights to the land (including customary and traditional rights recognised under national laws)	Right to compensation for loss of assets at replacement cost							

²⁵ “Forced eviction” refers to the acts and/or omissions involving the coerced or permanent or temporary involuntary displacement of individuals, groups and communities from homes and/or lands and common property resources which they occupy or depend on, thus eliminating or limiting the ability of an individual, group or community to reside or work in a particular dwelling, residence or location, without the provision of, and access to, appropriate forms of legal or other protection.

Issue	EBRD requirement	Gap between EBRD requirement and local legislation	Measures/comments to bridge the gap
	<div data-bbox="383 240 696 507"> <p>b) 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 (long time diligent owners and formal possessors and owners ex lege)</p> </div> <div data-bbox="696 240 976 507"> <p>Right to compensation for loss of assets at replacement cost</p> </div> <div data-bbox="383 507 696 774"> <p>c) Those who have no recognisable legal right or claim to the land they occupy (persons without recognised legal right – owners of informally built structures, land usurpers, etc.)</p> </div> <div data-bbox="696 507 976 774"> <p>Physically displaced persons from this category must be offered a choice of options for adequate housing with security of tenure, while economically displaced persons must be compensated for any losses on land (crops, infrastructure on the land, etc.)</p> </div> <div data-bbox="383 815 976 866"> <p>EBRD Policy also requires that displaced persons receive compensation for moving costs.</p> </div>	<p>family” where owners of informally built structure are entitled to compensation at the construction value of such structures. The requirement is that the object is recorded in the official 2017 official aerial survey of FBiH and that the responsible authority did not issue a decision on its removal.</p> <p><u>The second difference</u> lies in the fact that EBRD requires compensation at replacement value – which is the market value of assets plus the transaction costs (sale tax, notary fees, registration costs, moving costs, etc.) related to restoring of such assets in a different place. On the other hand, compensation under the Law on Expropriation equals the market value of property and the Law does not explicitly refer to compensation for registration costs and compensation for transfer of ownership.</p> <p>Compensation for moving costs is not stipulated in the national legislation.</p>	<p>JPAC has made court experts familiar with EBRD's requirements to ensure that evaluation of the properties must allow PAP to buy replacement land plot(s) in neighbouring areas and covering possible additional costs that may occur during the transaction. Some gaps have been overcome through lower-level legislation (i.e., cantonal regulations)²⁶.</p> <p>Moving allowance was and will be provided to all relocated households and businesses, as defined in the Entitlements Matrix. Court experts that evaluate structures (residential or commercial) added, under the item “recapitulation”, the amount of moving allowance.</p> <p>To address the issue of the payment of the compensation at replacement value, the total amount of the compensation in each individual case to cover costs such as notary fees when new property needs to be bought or costs to connect utilities on new property such as gas/electricity/water and similar costs.</p>
Economic displacement	<p>PR 5 defines economic displacement as a temporary or permanent loss of income or livelihood through interruption of person's employment or access to property, regardless of whether the affected people are physically displaced.</p> <p>In the context to the right of compensation, the Client is required to do following:</p> <ul style="list-style-type: none"> ▪ To compensate displaced persons for loss of assets or access to assets; ▪ To compensate, in cases where land acquisition affects commercial structures, the affected business owner for: (i) the cost of re-establishing commercial activities elsewhere; (ii) lost net income during the period of transition; and (iii) the costs of the transfer and reinstallation of the plant, machinery or other equipment; 	<p>In terms of economic displacement and principles defined in PR 5 in relation to the applicable national legislation, there are major differences with respect to the right to compensation, because the Law on Expropriation does not envisage the right to compensation in form of payment of costs for lost income, displacement costs, and payment of compensation to persons who invested funds in improvements on someone else's land, and does not provide for a system of assistance.</p> <p>The Law does recognise the right to owners to compensation of lost profit which they would have made through former use of properties during the period from their transfer until the point when they gained access to replacement properties.</p> <p>The Law foresees two measures:</p> <ul style="list-style-type: none"> ▪ an increase in compensation based on “personal and family circumstances” (if such circumstances are essential for the owner's livelihood) and 	Same as above

²⁶ According to Art. 6 paragraph c) of the Law on Real Estate Transfer Tax in Zenica-Doboj Canton) PAP are exempted from paying taxes on real estate transactions when buying a new real estate (land plot, house, etc.).

<i>Issue</i>	<i>EBRD requirement</i>	<i>Gap between EBRD requirement and local legislation</i>	<i>Measures/comments to bridge the gap</i>
	<ul style="list-style-type: none"> To provide replacement property of equal or greater value, or cash compensation at full replacement cost to persons from the category “a” and “b”; To compensate category “c” persons for lost assets (such as crops, irrigation infrastructure and other improvements made to the land) other than land, at full replacement cost; To provide additional targeted assistance (for example, training or job opportunities) and opportunities for economically displaced persons to restore, and where possible improve, their income-earning capacity, production levels and standards of living. In the case of businesses experiencing temporary losses or having to close as a result of project-related displacement, both the owner of the business and employees losing pay or employment are eligible for such assistance; To provide transitional support to economically displaced persons, as necessary, based on a reasonable estimate of the time required to restore their income-earning capacity, production levels and standards of living. 	<ul style="list-style-type: none"> compensation for “loss of profit”. <p>However, such additional compensation is provided only to formal property owners.</p>	
Vulnerable groups	PR 5 requires that particular attention must be paid to vulnerable groups and individuals.	<p>There are no specific provisions in the Law on Expropriation which require consultations with and providing assistance to vulnerable groups in the expropriation process, while PR 5 requires that special attention must be given to the needs of vulnerable individuals.</p> <p>In practice, socially disadvantaged persons are identified in the phase of the public call. Impacts on this population are to a certain extent mitigated through social welfare measures implemented by responsible municipalities and social welfare centres, as well as by applying specific remedies regulated by the Law on Expropriation in form of an increased compensation for expropriated properties to formal owners, and in each specific case taking into account the social status, financial situation, unemployment, income level, etc.</p>	All vulnerable groups were identified during the socio-economic survey. Appropriate measures are applied in line with the requirements of LARF.
Grievance mechanism	EBRD requires that a project-specific grievance mechanism must be established.	While the <i>Law on Expropriation</i> does envisage the right of affected population (those with formal legal rights) to file complaints in various phases of the expropriation procedure, there is no requirement for establishment of an independent grievance mechanism to process complaints related to specific projects.	A grievance mechanism has been established in line with PR 5 as described under the “Grievance Mechanism” chapter of this LARP.
Participation/ consultations	EBRD requires appropriate disclosure of information and involvement of all affected population from the earliest phase and during resettlement activities in order to facilitate their early and informed participation in the decision-making processes in relation to resettlement.	Several Articles of the <i>Law on Expropriation</i> stipulate notifying of/consultation with property owners and stakeholders.	Disclosure of information and consultations are carried out in line with the requirements of LARF and this LARP.

<i>Issue</i>	<i>EBRD requirement</i>	<i>Gap between EBRD requirement and local legislation</i>	<i>Measures/comments to bridge the gap</i>
Monitoring and reporting	<p>PR 5 requires that clients must establish procedures to monitor and evaluate the implementation of the resettlement plan and to take corrective action as necessary.</p> <p>Clients must also ensure that the implementation of the resettlement plan is verified through the submission of a land acquisition and resettlement execution report to the Bank upon completion of all activities. For projects with a significant magnitude of displacement impacts, the Bank may require periodic external compliance reviews and/or an external completion audit of land acquisition and resettlement activities.</p>	There are no national legal requirements for monitoring and evaluation of the resettlement and the livelihood restoration process and outcomes.	Monitoring, reporting and evaluation requirements for this Project are explained in detail in Chapter 12 of this LARP.

6 PROJECT IMPACTS

6.1. Scope of Land Acquisition – Overview

The Project requires both acquisition of land and acquisition of residential and auxiliary structures. The majority of land acquisition is, as defined by national legislation, “complete expropriation”²⁷.

A total of 966 land plots are affected by the Project, of which:

- 813 privately-owned
- 142 state-owned
- 11 for which ownership status (whether private or state-owned) could not be identified due to missing information in the Expropriation Study²⁸.

Specifically, the Project requires:

- **Complete (permanent) expropriation** of 908 land plots,
- **Incomplete (temporary) expropriation** of 58 land plots on which disposal sites for excavation materials are located.

According to data obtained from Project documentation, the following can be concluded:

- A total of 30 residential structures and 20 auxiliary structures (14 garages and 6 barns) are located in the planned Project area.
- The largest number of land plots is agricultural land (469 fields, 13 orchards, 13 meadows), 32 are access roads, 37 are yards, etc.
- A total of 148 land plots were subject to expropriation according to Article 11 of the Law on Expropriation (Municipalities of Tešanj, Usora and Doboj-Jug)
- For a total of 38 cases, compensation was paid based on the Article 47 of the Law on Expropriation – i.e., increase in compensation based on “personal and family circumstances” (Municipalities of Tešanj and Doboj-Jug).

Table 2: Area of affected land plots by ownership

Type of ownership	Tešanj	Usora	Doboj-Jug	Landfills	Total
Public	102235 m ²	318038 m ²	114808 m ²	152118 m ²	687199 m ²
Private	501791 m ²	255819 m ²	68175 m ²	257545 m ²	1083330 m ²

Table 3: Number of land plots subject to expropriation

Municipality	Number of private land plots	Number of state owned plots	Total no. of land plots
Tešanj	447	47	494
Usora	202	59	261
Doboj-Jug	129	24	153
Landfills	46	12	58

²⁷ According to the Law on Expropriation of FBiH, complete expropriation allows the expropriation beneficiary to obtain legal title over the expropriated property, while the rights of the previous owner over the real property cease to exist.

²⁸ The expropriation authority, i.e. appointed committee, resolves ownership issues before making expropriation decisions in accordance with the Law on Administrative Proceedings of FBiH and applying the principle of resolving the so-called “preliminary issue”. They conduct site investigations and identify rightful owners for compensation. Affected parties can appeal decisions to the Federal Administration for Geodetic and Property Affairs. Once ownership of the affected land plots is determined, expropriation procedure will continue regularly, and this LARP will be updated accordingly. If it is not possible to identify the owner of the affected land plot due to unknown of his residency, the authority conducting the procedure will appoint a temporary representative for such party if the urgency of the matter demands it, and the expropriation procedure must proceed. If these individuals appear within the 10-year period, they can demand compensation, in accordance with the Law on Obligations, which prescribes a general statute of limitations of 10 years for all claims established by the decision of the competent authority.

Temporary occupation of land. In order to build access roads and set up personnel, equipment, and materials, it is anticipated that a number of private and state-owned land plots would need to be temporarily occupied. In the event of state-owned land, the right to use such plots by the Company will be regulated through agreement with the Municipality or the Government of FBiH. Privately held land will be dealt separately, with lease contracts or other means of transferring ownership or use rights in compliance with the Law on Property Rights of FBiH, and adequate compensation will be paid in accordance with the Entitlement Matrix.

It should be emphasized that a studies will be developed to determine the social and environmental impacts for land plots near planned project area. These land plots are not located in the expropriation zone, but in its immediate vicinity. This will be conducted according to the requests for expropriation made by the owners of the land plot on which residential structures are located.

6.2. Affected Assets, Affected People and Entitlements

The on-site investigations in the municipalities Usora and Doboj-Jug, as well as the remaining cadastral municipalities in the Municipality of Tešanj started after the submission of the amended expropriation studies. The second field investigation, which involved two members of the Company’s Department of Study Documentation, Social and Environmental Policy, started in October and continued in November 2020 and included two components:

- An initial census of affected properties in the Project footprint;
- A socio-economic survey, to determine the affected population from a social and economic perspective, with focus on livelihoods.

Census and Inventory of Socio-Economic Survey

The Census and Asset Inventory of all Project-Affected Persons (PAPs) was developed to gather and analyse the data and information required to identify all categories of potential impacts. The Census database contains data on the following:

- Location and Cadastral Municipality,
- Land plot number,
- Type of land plot,
- Identified type of impact,
- Name of PAP,
- Total area of land plot (m2) and possible orphan land,
- Structures (residential/commercial),
- Other assets on land (natural objects or auxiliary structures),
- Information on economic/physical displacement.

The summarised version of the census database containing non-confidential data is provided in Annex A of this LARP (the full database is in the form of separate Excel documents). Confidential information about individual persons and properties will not be publicly disclosed by JPAC, Municipalities Tešanj, Usora and Doboj-Jug and/or EBRD.

Socio-economic Survey

A 4-day socio-economic survey for households was conducted in December 2020 by two members of JPAC’s Department of Study Documentation, Social and Environmental Policy on the basis of survey questionnaires prepared by land acquisition experts.

The survey was conducted to solicit the opinions of the PAPs regarding Project impacts and compensation payments as well as to obtain specific data on current livelihoods and living conditions of PAPs, including the

identification of vulnerable categories. Landowners that live abroad could not be interviewed during on-site visits, therefore they were surveyed through telephone. Due to the coronavirus, some landowners could not travel or avoided gatherings and contacts, which slowed down data collection.

The residents of the Project area were notified about the survey two days in advance through members of Project Implementation Unit (PIU) responsible for the expropriation as well as through the representatives of local communities affected by the expropriation.

During the site visit of the identified properties, interviews were carried out with affected owners/users living on affected land plots or present at the time of the survey. Land plots with no structures or no one present were recorded by the interviewers in the Census database.

For the purposes of the socio-economic survey, three types of questionnaires were used (Annex B), as follows:

- Questionnaire for landowners (i.e. owners/users of land plots without residential structures)
- Questionnaire for households (i.e. people living in or using residential structures affected by the Project)
- Questionnaire for businesses (i.e. businesses located on the land plot affected by the Project)

In addition, any land plots with no owner or user present were recorded by the interviewers in the Census database with the following data: (i) location, (ii) number of cadastral plot; (iii) whole plot affected (yes/no); (iv) physical structures; (v) natural structures/crop; (vi) information obtained from neighbours, if any.

The socio-economic survey involved gathering information from the household heads on the following topics:

- Ethnicity,
- Educational status,
- The date and circumstances of the household's settlement in the affected area (particularly in connection with potential displacement during the hostilities),
- Information on cash income, as well as on the main sources from which the household derives its livelihood,
- Ranking of main sources of household expenses,
- Information on the extent to which the household produces its own food,
- Information on potential hardship to which the household is exposed (period, reasons),
- Information on compensation preferences (land for land compensation as opposed to cash compensation), and
- Preferred resettlement location.
- Vulnerability factors such as: physical disability, mental disability, chronic illness requiring regular medical care or hospitalization, employment status (unemployed or lacking regular income), elderly population, etc.

Note: The census and survey conducted in 2020 was based on the initial Main Design and Expropriation Study valid at the time. Therefore, the data below does not include additional land plots and assets identified later during modifications to the Main Design and Expropriation Study (in July 2021).

A total of 52 PAPs were interviewed, who in total own 116 private land plots (some PAP own more than one land plot).

6.3. Results of Census and Socio-economic Survey

Overview

There are a total of 908 land plots in an affected area, part of them in state ownership (130 land plots), and part of them in the private ownership (767 land plots). As mentioned above, there are 11 land plots where private or

state ownership could not be identified due to the missing information in the amendments of the report of expropriation. The land plots are divided into total of 494 files of which 466 private ownership files and 28 state ownership files located in the municipalities of Tešanj, Usora and Doboj-Jug.

Table 4: Number of affected land plots

Municipality	Cadastral municipality (c.m.)	Total number of land plots	Total number of files	State owned land plots	State owned files	Private owned land plots	Private owned files
Tešanj	Kraševo	187	107	16	3	169	104
	Lepenica	133	69	7	2	124	67
	Medakovo	60	38	8	2	45	36
	Novo Selo	61	43	11	3	50	40
	Tešanjka	53	28	5	2	48	26
Usora	Alibegovci	44	21	5	3	39	18
	Makljenovac	181	75	33	4	148	71
	Tešanjka	9	5	4	2	5	3
	Ularice	27	10	17	3	10	7
Doboj-Jug	Matuzići	153	98	24	4	129	94
Total	10 c.m.	908	494	130	28	767	466

At the time of the survey, three homeowners were living abroad while one was living in a house located near the one being expropriated. Of the 30 residential buildings, 20 of them were surveyed, while the rest were photographed. In these houses 80 Project-affected persons (PAPs) were identified. In addition, there are 7 residential buildings located near the expropriation line, for which it will be subsequently determined in the expropriation procedure whether they are eligible for expropriation and relocation. Owners will be able to file a request for expropriation under Art. 11 of the Law on Expropriation, and construction experts as well as the Commission of the competent municipality will also give their conclusion on their request for expropriation. All PAPs who submit a proposal for expropriation under Art. 11, and for whom the competent authorities determine that they are eligible for expropriation of the remaining part of the affected property, will be subsequently surveyed in order to determine the existence of vulnerability groups or other risk factors.

Table 5: Brief summary of affected properties

<i>Structures</i>	<p>In the project area, there are a total of thirty (30) affected residential structures (houses) that will need to be relocated. Four (4) of them are in municipality of Usora, twenty three (23) of them in municipality of Tešanj and three (3) in the municipality of Doboj-Jug. They are divided into 30 private ownership files.</p> <p>Note: Number of structures located in the safety buffer zone is 7²⁹.</p>
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²⁹ After the completion of the Project, the existing residential structures will be located in the so-called safety buffer zone along the public road (road protective zone), where a special construction regime applies and is established with the aim of protecting the public road and

<i>Ownership</i>	The section Putnikovo brdo - Medakovo passes mostly through privately-owned land (60%), while state owned land covers the remainder (40%). In the Municipality of Tešanj state-owned land covers 18%, in the Municipality of Usora state-owned land covers 57.76 % and in the Municipality of Doboj-Jug 58.79% of the affected area. On this section state land is classified by type (mostly as river, public road, access road, uncategorised road, barren land), while private land is elaborated in the following chapters. In addition, according to the classification of state land, there are forests as well as agricultural land.
<i>Agriculture</i>	<p>The affected area is traditionally agricultural, and the majority of land plots are identified as agricultural land plots, with some of interviewed people producing food for their own needs. During the survey, no significant perennial crops were found. Only a small number of perennial crops were identified next to the houses that are being expropriated. In all cadastral municipalities there are larger agricultural areas for sowing. However, none of the respondents stated that agricultural production is their main source of income. The crop is used for its own needs or as a secondary source of income.</p> <p>As mentioned, the majority of the affected land to be expropriated is agricultural land (farm land, meadow and pasture), however there is also forest land that is entirely in private ownership, especially in c.m. Lepenica, following with c.m. Makljenovac and c.m. Alibegovci. Other land represents river, public roads, uncategorised roads, auxiliary and residential buildings, courtyard etc.</p>
<i>Type of land</i>	Out of the 464 687 m ² of expropriated "Other Land", the rivers Tešanjka and Usora represent 338 853 m ² . As this section of the motorway passes through three municipalities, the table below will also show the type of land affected by expropriation distributed by municipalities.

Table 6: Type of land affected by expropriation per Municipality

Municipality	Agricultural land	Forest	Other
Tešanj	411 989	53 423	128 479
Usora	304 730	50 055	218 887
Doboj-Jug	68 803	1 422	112 758
Total	773 008 m²	86 538 m²	464 687 m²

Socio-economic Profile of the Affected Population

The summary of socio-economic profile of the affected population is given in the table below.

<i>Ethnicity affected by expropriation</i>	Given that the question on nationality and/or ethnic background is a sensitive socio-political issue, the respondents were given the opportunity to respond to the question in an open-ended format. 67.41% of respondents declared themselves as Bosniaks. In chart below is detailed ethnic structure.
<i>Land plots owners Composition and Demography</i>	63.37 % of land plots owners are male and 36.63 % are female. The interviewers did not encounter joint ownership of land between spouses and among this category is rarely seen.
<i>Household income</i>	21.00% of households reported having monthly income higher than 2000 KM, 15% of households reported monthly income in the range from 1500 to 2000 KM, 18% of households from 1000 to 1500 KM, 33% of households from 500 - 1000 and 21% of households have less than 500 KM.

traffic safety on it from harmful influences and various activities in the area next to the public road (Article 58 of the Law on Roads of FBiH). This means, among other things, that in the process of issuing construction permits or urban planning approvals for the construction of structures and installations within the safety buffer zone of the public road, the authority responsible for spatial planning must necessarily contact and request prior consent or approval from the road manager (in this case JPAC or PC Ceste FBiH).

<i>Primary source of income</i>	Majority of surveyed people reported salaries as the primary source of income. For 38% of households, salaries are primary source of income and 21 % of them reported own agricultural production as a secondary source with the salaries. For 33% of households pensions are primary source of income. 3% of surveyed reported own private business as a source of income and other sources of 5% are mostly people with some kind of government help.
<i>Satisfaction with economic situation</i>	31% of respondents reported to be satisfied with economic situation; 49% respondents reported to be neither satisfied nor dissatisfied with economic situation, 7% respondents reported to be dissatisfied with economic situation, and a minority of them (13%) reported to be highly dissatisfied with economic situation.
<i>Vulnerability</i>	21 households which correspond to 21 files/cases with one or more types of vulnerability were identified. The respondents were given the option to indicate vulnerability for any present household member. The most frequent type of vulnerability is elderly (17 household members), followed by disability - in 4 households). Physical disability was reported in one household. Unemployment is widespread in surveyed area particularly in young people. Details on vulnerable persons as mitigating measures are in Chapter 8 Assistance to vulnerable people.
<i>Compensation preferences</i>	All surveyed people reported to prefer cash compensation.

As this section of the motorway passes through three municipalities, the table below also shows the ethnicity of the landowners distributed by municipalities. In the municipalities of Tešanj and Doboj Jug, most people declared themselves as Bosniaks, while in the municipality of Usora most people declared themselves as Croats.

Table 7: Ethnic structure of property owners on by municipality

Municipality	Croats (%)	Serbs (%)	Bosniaks (%)	Others (%)
Tešanj	10.04	1.54	88.42	0
Usora	97.96	0	2.4	0
Doboj-Jug	21.59	0	78.41	0

Results of Socio-economic Survey for Households to be Resettled

The total number of households to be physically resettled is 30 of which 24 are located within the expropriation zone according to the Expropriation Study and 6 have requested to be resettled in line with Article 11³⁰ of the Law on Expropriation. Of these 30 houses, 20 were surveyed, for which 80 Project- affected persons (PAPs) were identified. Below are the affected houses distributed by municipalities and cadastral municipalities:

- 4 houses in the municipality of Usora (c.m. Alibegovci 1 house and 3 houses in c.m Makljenovac) are affected with expropriation and are going to be physically resettled
- 23 houses in the municipality of Tešanj (c.m. Kraševo 4 houses, c.m Tešanjka 10 houses, c.m. Lepenica 4 house and c.m. Novo Selo 5 houses) are affected with expropriation and are going to be physically resettled
- 3 houses in the municipality of Doboj-Jug (c.m. Matuzići) are affected with expropriation and are going to be physically resettled

All households are located on their own land plots. No informally inhabited houses were identified.

³⁰ Physical resettlement is typically triggered when a property is directly impacted by the project. In case only a portion of the land plot is affected, the owner has a right to file a request for expropriation of the entire land plot under Article 11 of the Law on Expropriation.

A summary of the results of the survey is provided in Table 8 below.

Table 8: Summary of the results of the socio-economic survey

<i>Household members</i>	<p>Total number of household members living in the 20 households surveyed = 80</p> <p>Men to women ratio = 43:37</p> <p>Ratio of male-headed to female-headed households = 18:2</p> <p>Smallest household = 1 member</p> <p>Largest household = 7 members</p> <p>Eldest household member = 83 years old (male)</p> <p>Youngest = 2 years old (male)</p>								
<i>Ethnicity</i>	<p>Bosniaks = 55 respondent</p> <p>Croats = 25 respondent</p> <p><i>Given that the question on nationality and/or ethnic background is a sensitive socio-political issue, the respondents were given the opportunity to respond to the question in an open-ended format.</i></p>								
<i>Household income and livelihoods</i>	<p>< BAM 500 of monthly income = 5 households</p> <p>BAM 500 to 1000 = 2 households</p> <p>BAM 1000 to 1500 = 5 households</p> <p>BAM 1500 to 2000 = 5 households</p> <p>>BAM 2000 = 3 households</p> <p>Pensions as main income = 5 households</p> <p>Salary as main source of income = 12 household</p> <p>Agricultural production as primary source of income = 1 households</p> <p>Agricultural production as secondary source of income = 1 household</p> <p>Private business as secondary source of income = 1 household</p> <p>Government help = 1 household</p> <p>6 households are satisfied with the level of income, 9 households reported to be neither satisfied nor dissatisfied with economic situation, 1 households are not satisfied while 4 household reported to be highly dissatisfied with economic situation.</p>								
<i>Legality of land</i>	20 households are formal owners of land								
<i>Residential structures and auxiliary structures</i>	<p>20 houses with construction facilities</p> <p>14 houses of them with barn (in Alibegovci, Makljenovac, Tešanjka and Lepenica) and</p> <p>6 houses with garage (in Alibegovci, Makljenovac, Tešanjka and Lepenica)</p>								
<i>Agricultural production</i>	15 households own orchards (pears, figs, raspberries, walnuts, apples, plums, cherries) and none of them use the harvest for commercial purposes. Although they don't rely exclusively on agriculture as a source of income some of them use it as a secondary source of income as stated in the survey.								
<i>Educational level of household members</i>	<p>Out of 80 household members in total:</p> <ul style="list-style-type: none"> - 8 have University degree - 33 have high school education - 13 have primary school education - 2 students - 23 children - 1 person without any education because of physical disability 								
<i>Employment status of respondents</i>	<p>Employed = 32 respondents</p> <p>Pensioner = 9 respondents</p> <p>Unemployed = 14 respondents</p>								
<i>Vulnerability</i>	10% reported some type of vulnerability, such as chronic disease and physical disability and another 9 are elderly people. In one house we found 2 highly vulnerable people who need special attention during the expropriation and resettlement process. Special attention will be paid to that household								
<i>Perceived losses and compensation preferences</i>	<p>The respondents were asked to indicate each potential type of loss caused by the Project. Type of losses can be different ie, on different levels. The perceived losses and frequencies of responses are as follows:</p> <table border="1"> <thead> <tr> <th><i>Type of loss</i></th><th><i>Frequencies of responses</i></th></tr> </thead> <tbody> <tr> <td>Loss of harvest</td><td>4</td></tr> <tr> <td>Loss of social connections</td><td>9</td></tr> <tr> <td>Loss of real estate</td><td>21</td></tr> </tbody> </table>	<i>Type of loss</i>	<i>Frequencies of responses</i>	Loss of harvest	4	Loss of social connections	9	Loss of real estate	21
<i>Type of loss</i>	<i>Frequencies of responses</i>								
Loss of harvest	4								
Loss of social connections	9								
Loss of real estate	21								

	No problem	
All respondents stated they would prefer monetary compensation.		

Results of Socio-economic Survey for Affected Businesses

In the Project area, 31 land plots distributed in 22 cases/files owned by legal entities were identified, however a large part of them is not engaged actively in business neither on the affected plots nor near the affected land. In addition to the expropriation for the construction of the motorway, some businesses were affected by expropriation at the request of local communities and municipalities due to the regulation of the Usora and Tešanjka rivers, as well as the relocation of the M4 main road and other local roads. This analysis refers to active businesses that need relocation or are affected by the proximity of the expropriation zone.

A total of 11 private businesses will be affected by land acquisition, of which 3 will need to be fully relocated and two only partially. Out of 11 businesses, 10 were surveyed.

Key impacts on these businesses are shown in the table below.

Table 9: Impacts on businesses

No.	Type of business	Location	Affected by expropriation (Fully or partially)	To be relocated	Number of affected land plots	Surveyed
1.	Sales of construction materials, sanitary ware and plumbing	Novo Selo	Yes (partially)	No	1	Yes
2.	Transport and trade services	Kraševo	Yes (partially)	No	5	Yes
3.	Technical inspection of vehicles, sale of spare parts and other	Matuzići	Yes (partially)	No	1	Yes
4.	Sale of panels	Kraševo	Yes (partially)	Yes	1	Yes
5.	Road construction and maintenance	Matuzići	Yes (partially)	No	2	Yes
6.	Compressor overhaul and service	Matuzići	Yes (Fully)	Yes	1	Yes
7.	Sugar and coffee production, trade	Kraševo	Yes (partially)	Yes	3	Yes
8.	Trade and recycling of secondary raw materials ³¹	Kraševo	Yes (partially)	No	2	No
9.	Production and sale ALU&PVC windows and doors	Kraševo	Yes (partially)	No	2	Yes
10.	Car shop and service ³²	Kraševo	Yes (Fully)	Yes	3	Yes
11.	Wholesale of construction materials	Kraševo	Yes (Fully)	Yes	4	Yes

Regarding the business entities, one business is joint stock company, and the others are limited liability companies. All respondents are men, some of them business owners and some employees in the affected business. All business owners are also men. The average number of employees in these business entities is 40 and varies from 1 to 160. All affected businesses are legally registered according to the survey responses. Out of

³¹ The only business not surveyed. It is affected by the expropriation needed to regulate the Usora River. The business is only partially affected by expropriation of land plots without structures, the business is not compromised and there is no need for relocation.

³² The company is engaged in several different business activities and the project affected the car showroom and service. That business will need to be completely relocated.

5 business entities that need relocation, 4 are located along the main road M4 and as the biggest problem the loss of location for work and finding a suitable replacement is identified.

6.4. Characteristics of Affected Assets

Residential and Auxiliary Structures

As mentioned above, the total number of residential structures is 30. Additionally, almost all houses have construction facilities and auxiliary structures, including 14 garages and 6 barns. Photos of the affected houses are given in Annex F.

Four houses are currently unoccupied and people from 3 of them live abroad while the owner of one house lives in a house not far from the one being expropriated. All households are located on their own land plots. No informally inhabited houses were identified. Residential structures are of different sizes and quality and are mostly in very good condition. Almost all houses have auxiliary structures and construction facilities (Barn and garage) that also need to be acquired. Local population live in all affected residential buildings.

The expropriation zone also includes two cottages in the municipality of Usora, c.m. Makljenovac that are in a completely neglected condition, dilapidated or unusable.

Photographs of the cottages are below.



Figure 4: Cottages in the municipality of Usora, c.m. Makljenovac

Business Structures

In the expropriation zone, there are land plots owned by private legal entities (mostly used as a storage space for wholesale trade) but without a significant number of business facilities. Most of the affected business entities are located along the main road M4 which represents the centre of business activity in this area. Along the river Tešanjka in Novo Selo one business was identified as affected, as well as three businesses along the river Usora (these represent expropriation for the relocation of the main road M4 and the regulation of the river Usora).

Along with operating businesses, inactive businesses and abandoned facilities were identified. Photographs of some business structures and affected business activities can be seen below.

Based on the data obtained from the Project documentation, the following structures were identified:

- Business building
- Commercial building
- Sports centre
- Quarry

Additionally, non-commercial abandoned public buildings, as well as two ruined cabins were classified as facilities on the affected land plots.





Figure 5: Photographs of affected business structures

Land Plots

A total of 811 land plots are affected in this area in the Municipalities of Tešanj, Usora and Doboj-Jug off which 117 land plots in state ownership and 694 land plots in private ownership. Out of these, a total of 116 were included in the socio-economic survey.

Municipality of Tešanj. The average size of private land plots in the municipality of Tešanj is 1230 m² and the average size of public land plots is 2730 m². The first data shows that 73% of the private land plots are declared as fully titled, while the other 27% are co-owned. The average number of co-owners counts from 2 to 3.

Municipality of Usora. The average size of private land plots in the municipality of Usora is 1337 m² and the average size of public land plots is 5454 m². The first data shows that 73% of the private land plots are declared as fully titled, while the other 27% are co-owned. The average number of co-owners has been more than 3.

Municipality of Doboj-Jug. The average size of private land plots in the municipality of Tešanj is 595 m² and the average size of public land plots is 5409 m². The first data shows that 74% of the private land plots are declared as fully titled, while the other 26% are co-owned. The average number of co-owners has been around 2 (from 2 to 3).

Table 10: Overview of project impacts on private property for Municipalities of Tešanj, Usora and Doboj-Jug

Impact	Location of:	Number of private land plots	Of which: land plots with residential structures	Of which: The type of land plot
TEŠANJ				
Affected by complete land acquisition in Tešanj	Cadastral municipality Kraševo	169	4 Residential buildings	2 forest plots 9 pasture land plots 110 farm land 3 meadow 21 Other
	Cadastral municipality Lepenica	124	4 Residential buildings	37 forest plot 10 pasture land plots 51 farm land 7 meadow 11 Other
	Cadastral municipality Medakovo	45	0 Residential buildings 0 Auxiliary structures	5 forest plot 35 farm land 2 meadow 1 Other

Impact	Location of:	Number of private land plots	Of which: land plots with residential structures	Of which: The type of land plot
	Cadastral municipality Novo Selo	50	5 Residential buildings	1 pasture land plots 37 farm land 10 Other
	Cadastral municipality of Tešanjka	48	10 Residential buildings	4 forest plot 26 farm land 14 Other
TOTAL	Municipality of Tešanj	436	23 Residential buildings	291 Agricultural land plots 48 Forest land plots 57 Other ³³
USORA				
Affected by complete land acquisition in Usora	Cadastral municipality Alibegovci	39	1 Residential building	7 forest plot 19 farm land 3 Other
	Cadastral municipality Makljenovac	148	3 Residential buildings	17 forest plot 19 pasture land plots 65 farm land 8 orchard 20 Other
	Cadastral municipality Tešanjka	5	0 Residential buildings 0 Auxiliary structures	5 pasture land plots
	Cadastral municipality of Ularice	10	0 Residential buildings 0 Auxiliary structures	1 forest plot 2 pasture land plots 5 farm land 2 Other
TOTAL	Municipality of Usora	202	4 Residential buildings	123 Agricultural land plots 25 Forest land plots 25 Other
DOBOJ-JUG				
Affected by complete land acquisition in Doboj-Jug	Cadastral municipality of Matuzići	129	3 Residential buildings	2 forest plot 95 farm land 8 pasture land plots 20 Other
TOTAL	Municipality of Doboj-Jug	129	3 Residential buildings	103 Agricultural land plots 2 Forest land plots 20 Other

³³ Other land in general represents public roads, uncategorized roads, auxiliary and residential buildings, courtyard, railway, river etc. In this case it represents 23 land plots with residential structures 7 land plots with auxiliary structures, 2 courtyards and 4 private access road

6.5. Landfill Sites and Additional Socio-economic Survey

Overview

The Project requires the temporary expropriation (which will be in effect for a period of 5 years) of 58 land plots to be used as landfill sites for excavation material. The land plots are located in the Municipality of Tešanj, in cadastral municipalities Bobare, Jelah, Piljužići and Rosulje.

A total of 58 land plots (45 privately-owned and 13 state-owned) will be needed for the five planned landfills (whose locations are shown in Figure 3).

There were no identified structures in this area as the majority of the area is agricultural land. The table below shows the area of affected land.

Table 11: Area of affected land plots

Type of ownership	Bobare	Jelah	Piljužići	Rosulje	Total
Public	69185 m ²	74057 m ²	8876 m ²	/	152118 m ²
Private	47714 m ²	121673 m ²	62502 m ²	25656 m ²	257545 m ²

The Main Design for landfill sites was developed subsequently in July 2021 by the company IPSA Institute d.o.o. Sarajevo.

Socio-economic Survey

A socio-economic survey was carried out on December 5th and 6th, 2022. For purposes of the survey, **two types of questionnaires were used**, as follows:

- I. Questionnaire for landowners and users (natural persons) who received compensation,
- II. Questionnaire for landowners and users (businesses) who received compensation.

Before the start of the survey, each respondent was instructed about the obligation to sign a Statement of Consent for the Processing and Use of Personal Data³⁴, which were intended to be collected through questionnaires. Furthermore, each respondent was made aware of his/her rights in relation to the above, as well as the fact that the statement is signed on a voluntary basis and can be withdrawn at any time.

The questionnaires and the Statement of Consent for the Processing and Use of Personal Data used for the survey are provided in Annex B (questionnaires no. 4 and 5) and Annex C of this LARP respectively.

³⁴ Personal data collected through the questionnaire are: name and surname, year of birth, gender, residential address, e-mail address, telephone/mobile contact number, nationality, level of education, state of health, type and number of identification document. According to the Law on Protection of Personal Data (“Official Gazette of Bosnia and Herzegovina”, No. 49/06, 76/11 and 89/11), special categories of personal data include all personal data that, among other things, reveal ethnic origin and health status. In accordance with the above, the same law stipulates the obligation that consent to the processing of such personal data must be given in writing and must be signed by the data holder.

The interviewers made maximum efforts to interview all PAP during the field visit. Out of a total of 27 owners/users:

- 8 (29.6%) PAP were surveyed
- 2 PAP refused to participate in the survey
- 1 PAP could not be found at the address and the residence appears to have been vacant for some time, as confirmed by locals who reported that the PAP lives in another city but could not provide any contact information.
- Two PAP turned out to have been deceased some years before, and their successors could not be found at their addresses. Locals informed the interviewers that one of the successors was ill and was cared for by their spouse, who had recently also become ill as well and could not participate in the survey.
- The rest of the PAP could not be located since many of them reside outside of the country.
- Additionally, several PAP's locations of residence (especially in the Bobare cadastral municipality) could not be identified as the local people were not familiar with their addresses or had confused them for other persons with similar family names in the locality.
- One PAP could not be identified by any interviewed PAPs or other locals and is possibly a foreign national with no local residence.

It should be noted that none of the affected land plots are currently in use and majority of them are overgrown with various plants and are inaccessible. During the site visit it was observed that in certain parts of land, the soil is missing, i.e., holes are present, which confirms that various people extracted the soil for their own use. In that regard, JPAC plans to cover the land with soil to remove the holes. The current state of the affected land plots can be seen in the figures below.





Figure 6: Landfill sites in cadastral municipality Jelah (Jelah 2)



Figure 7: River Usora located near the landfill site

One of the affected land plots has a neighbouring plot (that is not subject to expropriation) with a fishpond. The owner of the fishpond stated that the fishpond is not actively in use, but there might be some fish left. The location in question can be seen in Figure 8 below.



Figure 8: Landfill site in cadastral municipality Jelah (Jelah 1)

All surveyed PAP confirmed that they already received compensation, that it was exclusively monetary compensation and that they are completely satisfied with the compensation. Only one of the surveyed PAP used the received compensation to purchase a new land plot in the Rosulje cadastral municipality. Nearly all interviewed PAPs stated that they were completely satisfied with the information provided to them during the expropriation process.

Three PAP reported that their main source of income was employment, three reported pensions as their main source of income, and only one is unemployed and relies on unemployment benefits. No vulnerable groups were identified among the interviewed affected PAP and their household members.

Among the PAP, there was one business, whose owner is the only employee and resides outside of the country. The interviewed person was his attorney who stated that the business was not negatively affected by the Project. According to information received, the business owner expects to continue his plan to grow walnut trees on the affected land after the temporary expropriation period ends as planned. This plan was made before the expropriation took place, and it included exporting walnuts.

7 ENTITLEMENTS AND COMPENSATION

Compensation entitlements for different categories of eligible people and assets are summarised in Table 12 below.

Table 12: Specific Compensation Entitlements

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY OR LOSS	ENTITLEMENT
HOUSEHOLDS	
Loss of land (formal land owners)	<p>Replacement property with similar or same characteristics or cash compensation for land plot at replacement value for land plot</p> <p style="text-align: center;">+</p> <p>In case of partial loss of land plot: the right to request complete acquisition of affected land plots and corresponding compensation at full replacement cost</p> <p style="text-align: center;">+</p> <p>Assistance for livelihood restoration (where applicable) to be identified and provided by JPAC on a case-by-case basis and based on the socio-economic survey, in cooperation with regional development agencies (e.g. assistance to identify and access other income/livelihood generation activities, assistance to access training, skill development, job opportunities, agricultural development support etc., identifying improvements which could help affected PAP to increase their yield and income on land)</p> <p style="text-align: center;">+</p> <p>Additional assistance for vulnerable households as needed</p>

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY OR LOSS	ENTITLEMENT
<p>Loss of residential structure erected with construction permit on one's own land or loss of formally owned apartment as part of a building or Loss of residential structure erected without a construction permit on one's own or someone else's land</p>	<p>Replacement property with similar or same characteristics or cash compensation at replacement value + Moving allowance and compensation for other resettlement related expenses which include, but are not limited to, the following: transportation allowance sufficient to cover transport expenses; relocation allowance equivalent to monthly rental cost for similar land plots/structure multiplied by the number of months needed to rebuild and relocate to a new site; transition allowance to cover their households needs during transition period; expenses and assistance with utility connections at the new location. + Additional assistance for vulnerable households as needed, including rental allowance covering rent for at least 3 months or more if rental requirements period is longer. Rental allowance is provided in case immediate replacement accommodation is not available</p>
<p>Loss of residential structure/apartment (lessee)</p>	<p>Timely notification of the lessee in order to honour the notice period (under the Law on Obligations, the shortest period is 8 days or as regulated in the lease agreement) + Moving allowance</p>
<p>Loss of auxiliary structure (sheds, garages, drier, summer kitchens, etc.)</p>	<p>Cash compensation for loss of building/structures at full replacement costs free of depreciation and transaction costs.</p>
<p>Temporary land occupation and losses (owner or user)</p>	<p>Affected land and infrastructure will be restored to pre-project conditions + Cash compensation for temporary land occupation in the amount of lease at market prices</p>

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY OR LOSS	ENTITLEMENT
	+ Cash compensation for lost assets (e.g. structures, trees, crops, plantation, etc.) to the owner of assets + Compensation at market value for loss of net income from subsequent crops that cannot be planted for the duration of temporary possession (e.g. compensation for harvests lost at average yield/hectare)
Loss of right of way	Compensation for reduced market value of the property ³⁵ + Compensation for any damages to the property
Loss of annual crops	Right to harvest crops or (if harvesting is not possible) cash compensation for crops at replacement value
Loss of perennial crops / orchards	Right to pick fruits, vegetables, etc. + cash compensation for perennial plants and trees at replacement value
BUSINESSES	
Loss of business structures and income	For formally built business facilities: Replacement property with similar or same characteristics or cash compensation at replacement value + costs of transfer and reinstallation of the plant, machinery or other equipment For informally built business facilities: Cash compensation at construction value for any informally erected commercial structures + costs of transfer and reinstallation of the plant, machinery or other equipment
Loss of business income	Cash compensation for loss of profit as a result of the project (until the restoration of business activities elsewhere up to 6 months), calculated based on average values of business transactions over the past three years recorded in the responsible tax authority
Loss of business in a leased structure (lessee)	Timely notification of the lessee in order to honour the notice period + Moving allowance
Temporary land occupation during construction works (businesses)	Affected land and infrastructure shall be restored to the pre-project condition + Cash compensation for temporary occupation of the land in the amount of a lease at market value

³⁵ Reduced market value represents a decrease in value of real estate due to establishment of right of way by the expropriation beneficiary, and is determined on a case-by-case basis. It is paid in the form of cash compensation defined by an official court expert.

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY OR LOSS	ENTITLEMENT
	<p>+</p> <p>Compensation for any lost asset</p>
Loss of salaries ³⁶	<p><i>In case of temporary interruption of business operations and consequently temporary interruption of work of employees:</i> Compensation for loss of salaries to employees, in the amount of the average salary for the last six months (to be paid directly to the employer who shall submit proof of paid salaries in the transition period)</p> <p><i>In case of termination of business activities as a result of the project:</i> Compensation for severance pay to employees in the amount of salaries paid in the last six months (to be paid by the employer directly to the employees, and the employer shall submit proof of paid severance pay)</p>
Temporary losses of business income during construction works (businesses which are not relocating)	Cash compensation for loss of income until the completion of construction works which directly impact the business operations of the business, in line with assessment of court experts
Reduced value of business property due to acquisition of part of land on which business assets are located	<p>Cash compensation for reduced value for business property, in line with assessment of court experts</p> <p>+</p> <p>Livelihood restoration (agricultural and non-agricultural)</p>
OTHER IMPACTS	
Impacts on vulnerable groups	On top of all rights defined in this matrix, vulnerable PAP will be provided additional assistance including free legal assistance and help. Any additional in-kind support as required for any affected vulnerable households will be determined on case-to-case basis during socio-economic survey and include for example logistics, relocation planning, assistance with replacement housing search, and other targeted support as appropriate). These PAP are to be given priority of employment on the project if possible. More details provided in Chapter 8.
Loss of public infrastructure (including access roads)	Public infrastructure will be replaced before destruction by infrastructure of the same or better specifications.
Undefined impact (permanent or temporary loss)	Any property owner situated within the motorway's safety buffer zone whose property is directly or indirectly affected by this Project: The impact on restricted usage of the property due to its location within the safety buffer zone, requiring prior

³⁶ According to requirements of the Environmental and Social Policy 2019, in the case of businesses experiencing temporary losses or having to close as a result of project related displacement, employees losing pay or employment are also eligible for compensation.

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY OR LOSS	ENTITLEMENT
	<p>authorization from the motorway owner, i.e., will be assessed by JPAC and independent valuator and decided on case by case basis.</p> <p style="text-align: center;">+</p> <p>Any undefined impact shall be mitigated in accordance with the principles and objectives of this LARP. In case of discrepancies between the Law on Expropriation and EBRD Policy in a particular case, the provision more favourable for the affected owner/user shall prevail.</p>

8 ASSISTANCE TO VULNERABLE PERSONS

Identified vulnerabilities

Vulnerable people are those affected people who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status, may be more adversely affected by resettlement than others and who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits.

Particular attention and support will be given to the needs of vulnerable groups based on the personal situation and appropriate measures shall be taken to assist such persons.

Categories of vulnerable people include, but are not limited to:

- Poor or unemployed persons
- Persons with a disability (whether mentally or physically) or chronic illness
- Refugees, internally displaced persons and post-war returnees³⁷
- Elderly persons and pensioners (particularly when they live alone)
- Households whose heads are women (particularly with low income)
- Ethnic minorities
- Persons with guardianship
- Landless persons or persons without the right of use under the national legislation

The results of the Socio-economic Survey show that there are 22 vulnerable people and households among affected people in all three municipalities. The categories of vulnerability include, by order of frequency:

- Elderly persons,
- Unemployed persons
- Persons with a disability or chronic illness

Table 13: Number of vulnerable persons identified

Municipality	No. of vulnerable owners of project affected land plot owners	Types of vulnerability reported	No. of vulnerable household members of project affected	Type of vulnerability of members who depend on HH reported
Usora	3 (1 female, 2 males)	Elderly persons, Disability	2 (1 females, 1 male)	Elderly persons, unemployed persons
Tešanj	5 (2 females, 3 males)	Disability and chronic illness, Elderly persons	10 (4 females, 6 male)	Disability, Elderly persons, unemployed persons
Doboj-Jug	1 (1 male)	Elderly person	1 (1 females)	Elderly persons
Total	9		13	

Assistance to vulnerable people

Individual meetings with each vulnerable person will be held in order to determine their needs concerning expropriation as well as the manner of meeting the identified needs. Vulnerable people will be consulted on the type of assistance they need and will be provided with assistance suitable for their needs. Assistance to vulnerable people shall include the following activities, depending on a case-by-case screening to be carried out with support from the municipalities (*Departments of Social Affairs*):

³⁷ Refugees and displaced persons are covered by the Law on Displaced Persons and Returnees in the Federation of Bosnia and Herzegovina and Refugees from Bosnia and Herzegovina (“Official Gazette of FBiH”, No. 15/05), which at federal level is implemented by the Ministry for Displaced Persons and Refugees and by relevant institutions.

- Assistance during the census and expropriation process (e.g., direct visits to the homes of vulnerable persons/households, in particular for elderly people and people with chronic illnesses)
- Individual meetings to explain eligibility criteria and entitlements,
- assistance during the payment process, i.e., ensuring that compensation documents and payment process are well understood (in particular for elderly people)
- assistance during the post-payment period (e.g. assistance in finding alternative land and/or housing, training courses to enhance employability and prioritization for employment where possible – in particular for poor and/or unemployed people; assistance in securing the compensation money and reduce risks of misuse or robbery; checking that the solidarity networks that the vulnerable person was relying on have been re-established).

The socio-economic characteristics and vulnerability of the affected population will also be evaluated during the process of consultations with such PAP encountered during individual hearings organized by municipalities in the presence of representatives of JPAC. During these meetings, JPAC will collect information on the socio-economic status and vulnerability of PAPs which will be taken into consideration when proposing compensation. If the conditions of Article 47 of the Expropriation Law of FBiH³⁸ are met, they will receive an increase in compensation in addition to the above activities.

Assistance to vulnerable people shall also include the following activities, depending on a case-by-case screening to be carried out with support from the municipalities/cities departments of social affairs:

- Assistance during the compensation and resettlement process:
 - individual visits to the homes of vulnerable persons/households to explain eligibility criteria and entitlements (in particular for elderly people and people with disability/ chronic illnesses),
 - assistance during the payment process, i.e., ensuring that compensation documents and payment process are well understood (in particular for elderly people)
 - assistance to exercise the right to receive vulnerable people benefits provided under the Law on Bases of Social Welfare, Protection of Civilian Victims of War, and Protection of Families with Children, as applicable
- Assistance during the post-resettlement period:
 - assistance in identifying and buying new property
 - temporary accommodation if required while finding permanent accommodation/housing,
 - assistance in moving (special transport measures for persons with physical disabilities, etc.),
 - assistance in finding training courses to enhance employability and giving priority in employment, where possible, in particular for poor and/or unemployed people; assistance in securing the compensation money and reduce risks of misuse or robbery,
 - counselling in matters such as family, health, money management, and livelihood restoration,
 - health care if required at critical periods or enrolling vulnerable households in a health insurance scheme,

Assistance to vulnerable people provided to date

Even though the Law on Expropriation does not require any special measures for vulnerable groups, Company representatives undertook additional efforts to provide assistance to vulnerable PAP by, e.g., providing legal advice, organising home visits, etc. It should be noted that no vulnerable groups with special ethnic characteristics have been identified during the land acquisition process.

³⁸ The personal and family circumstances of the owners whose real property is pending expropriation, as well as circumstances which may have adverse economic effects, should be considered when determining the compensation level.

9 METHODOLOGY FOR VALUATION OF PROPERTY

Independent court experts for valuation of property (agricultural experts and construction experts) conducted valuation of the existing state of land plots and assets on land in line with the provisions of the Law on Expropriation and LARF.

Valuation of all land and assets on land for which expropriation process is conducted by independent court experts for valuation of property (experts in architecture, civil engineering, agriculture and forestry) selected from the official list of court experts.

Agricultural and forest land

As provided under the Law on Expropriation of FBiH, compensation for land will, wherever feasible, be in the form of a replacement property allowing the owner approximately the same conditions of use³⁹. *Same conditions of use* are to be understood as meeting the following criteria:

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

Where replacement property cannot be offered to the affected landowner because suitable agricultural land is not available at reasonable distance or is not acceptable to the landowner, the expropriating authority will establish written evidence of its unsuccessful efforts to identify such similar land, and compensate for such land at full replacement cost.

For agricultural land, replacement cost represents the pre-project or pre-displacement, whichever is higher, 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.

The Law on Expropriation does not explicitly regulate the situations where only a plot smaller in size or agricultural potential can be offered as a replacement property, and whether it would be acceptable to pay a balance in cash on top of the compensation in kind to offset such a difference in size or potential. In situations where a plot of equivalent size or potential cannot be identified and offered, and plots smaller in size or potential can be offered, the owner will be allowed the option to receive compensation partly in kind (replacement property - plot), and partly in cash. This requires both the affected and the replacement plot to be valued so that the difference can be calculated. As a general rule, if the difference in established values is less than 10%, the plots will be considered approximately equivalent and no cash compensation will be provided to offset this difference. In any case, the requirements set out in the Specific Compensation Entitlements (Table 12 of this LARP) will be applied.

In situations of partial expropriation of agricultural land where the land owner would assess the plot remainder as unsuitable for further agricultural use or in every case where the land plot would lose its access road, the owner can apply for expropriation of the whole plot according to provisions of Article 11 of the Law on Expropriation. Such situations are to be assessed on an individual basis by the expropriating authority.

³⁹ According to Article 45 of the Law on Expropriation, compensation for expropriated real property is determined by providing other corresponding real property equal in market value to the expropriated real property in the same municipality or city, thus allowing the owner of expropriated real property approximately the same conditions of use.

Residential land

The preferred option for residential land to be expropriated will be replacement with alternative land according to the provisions of the Law on Expropriation. The compensation package will usually include compensation for residential houses on the given plot.

If residential land is affected but the house itself is not, compensation will usually be in the form of cash. Cash compensation will be provided at replacement cost, i.e. the pre-displacement 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.

Houses or other structures

When assessing the replacement properties, the following criteria shall be applied to the extent possible:

- parcel on which the houses or other structures are located shall have approximately the same size,
- houses shall have similar size and standards, including access to utilities, and
- houses shall be located at a reasonable distance and be with a similar potential from the livelihood point of view (access to employment or agriculture).

If replacement structures smaller in size or of unfavourable characteristics are proposed to affected persons, the difference in value shall be paid to the affected owner pursuing the approach similar to that described in section on agricultural land compensation.

Where the affected owner opts for cash compensation rather than replacement property or if no suitable substitute property can be identified in the area, residential structures will be compensated in cash at full replacement cost. For houses and other structures, replacement cost 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 taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. It also includes costs for levelling or other preparation for new construction or use. Costs are calculated based on the time at which the asset is being replaced, if not, inflation is taken into account in calculating costs.

Crops and forest

To the extent possible, land acquisition and land entry will be scheduled so that any standing annual crop, regardless of its development stage, can be harvested before the land is taken from the land owner or land user. Annual crops that are harvested before land entry shall not be compensated for.

Annual crops that cannot be harvested prior to land entry or that are damaged by construction works shall be compensated for at full replacement cost. Recent agricultural produce prices at municipal or canton level shall be applied. Where such records are not available, the records from the Agency for Statistics of BiH which are published in the form of First Release⁴⁰ and are updated quarterly shall be used. Agricultural expert will use such data for his/her findings in the absence of data from municipalities and cantons.

The determination of the full replacement cost requires consideration not only of the yield of the crop over one year, but also of the cost of re-establishing the plantation (labour, seedlings, soil preparation, fertilizers, irrigation, fuel, etc.), as well as of the lost income during the period needed to re-establish the crop.

Compensation rates shall be calculated in compliance with the full replacement cost principle, whereby the compensation rate C for one tree is determined by application of the following formula:

⁴⁰ Agriculture, Environment and Regional Statistics - Sale of Agricultural Products on Green Markets are available on the official website of the Agency for Statistics of BiH (e.g. for III quarter of 2021 available at: https://bhas.gov.ba/data/Publikacije/Saopštenja/2021/AGR_07_2021_Q3_1_BS.pdf)

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

V - average market value of the produce of one tree for one year

D - average period of time required to re-establish the tree to an adult production level, in years

C_p - cost of planting (seedling, soil preparation, initial fertilization)

C_L - cost of the labour required to maintain the crop during the period of time needed to re-establish it to its previous production level

The calculated unit rate C is then applied to the whole plot assuming either an average density or based on the precise count of all standing trees.

Compensation rates will be generated for the following stages of plant (tree) development:

- seedling,
- young plant, not productive,
- young plant , productive, and
- mature plant.

Unlike perennial fruit plantations, which can be harvested over a long period of time, most commercial timber tree species are yielded only once, as is the case with annual crops. The replacement cost shall therefore be in line with the provisions of the Entitlements Matrix. If an affected commercial forest cannot be logged before land entry, the compensation principle will be similar to that described for annual crops, taking consideration of the market value of the lost timber.

10 DISCLOSURE OF INFORMATION AND PUBLIC CONSULTATIONS

Institutions involved in expropriation procedures shall be responsible for disclosure of information and consultations.

Consultations on LARP

Prior to the adoption and publication of the final LARP, the Company will inform the public about the draft LARP as follows:

- The Draft LARP will be published on the websites of the Company and the municipalities of Tešanj, Usora and Doboj-Jug, and made available in hard copies at their respective addresses.
- Notice of publication of draft LARP will be posted on the bulletin board of the Local Communities with the following information:
 - i. where the draft LARP can be accessed,
 - ii. date for the community consultations,
 - iii. contact details of the responsible person to whom questions or comments may be submitted in writing,
 - iv. the deadline for submission of comments.
- Within ten days after the publication of the draft, the community consultations will be organized in the premises of the Site Office - Kraševo (address: Kraševo b.b.) in order to discuss the draft LARP with the PAP;
- Within 20 days from the day of the community consultations, PAP will have the opportunity to submit questions and comments. All justified comments and suggestions will be considered accordingly.
- The final LARP will be published on the websites of the Company and the municipalities of Tešanj, Usora and Doboj-Jug. It will remain in the public domain for the entire duration of the Project, together with the LARF.

Disclosure of Information and Consultations Held to Date

Various types of consultations were already organised throughout the land acquisition process:

- PAP living in the Project area were individually visited by the representatives of the Company, respective municipalities and the court experts for valuation of property,
- After the submission of the proposals for expropriation by Company, PAP were notified about the proposal by the municipalities,
- A public announcement for the conclusion of negotiated settlements was published on the Company's website and in daily newspapers,
- For PAP for which the Decisions on Expropriation became final, the municipalities organised individual hearings to determine the compensation amounts,
- PAP were informed of their right to request expropriation of the entire plot in cases where only part of the plot was initially planned to be expropriated.

11 GRIEVANCES MANAGEMENT AND REDRESS

11.1. Public Grievance Mechanism

Grievance management is an integral part of a sound stakeholder involvement strategy that is necessary for the successful execution of the Project.

JPAC has established and published on its website⁴¹ a grievance mechanism for receiving and reviewing Project-related complaints. As part of the grievance mechanism, a register of grievances has been established to record all complaints and comments submitted by the PAP. The Guide to Grievance Mechanism by the standards of International Financial Institutions is also published on the Company's website⁴², which provides contact information and explains the procedures for filing grievance, as well as the Project's Grievance Form⁴³ (**Annex E**).

Grievances may also be submitted anonymously or without the use of the form if preferred. Individuals who submit their comments or grievances have the right to request that their name be kept confidential.

Prior to start of construction works on any section, JPAC will make available the Project's Grievance Form on the construction site, as well as on the websites of municipalities/cities affected by expropriation.

Grievances can be submitted in the following ways:

- In the municipality by filling the grievance form
- On the construction site by filling the grievance form
- Electronically to one of the specified e-mail addresses in the grievance form or on the Company's website
- By phone or fax on the phone numbers specified in the grievance form or on the Company's website

The contractor(s) and the involved municipalities will forward any received grievances to the Company for further action. Grievances in relation to construction activities will be addressed by construction contractor(s) and their management will be monitored by JPAC. It is also the obligation of the contractor(s) to actively participate in resolving complaints during the execution of works and to keep records of the above. It is recommended to the contractor(s) that during the implementation of this project there is one person who will be in charge of grievances management.

All comments and complaints will be responded to either verbally or in writing, in accordance with the preferred method of communication specified by the complainant, if contact details of the complainant are provided.

All grievances will be recorded in the Grievance Registry and assigned a number, and acknowledged within 7 working days. The Registry has all necessary elements to disaggregate the grievance by gender of the person logging it as well as by type of grievance. Each grievance will be recorded in the registry with the following information:

- description of grievance,
- date of receipt of grievance and when acknowledgement returned to the complainant,
- description of actions taken (investigation, corrective measures, preventive measures), and
- date of resolution and closure / provision of feedback to the complainant.

If the grievance/complaint is vague and not clear enough, Company will assist and provide counsel in formulating/redrafting the submission, in order for the grievance/complaint to become clear, in the best interests of persons affected by the Project.

The Company will make all reasonable efforts to address the complaint upon the acknowledgement of grievance. All comments and complaints will be responded to either verbally or in writing, in accordance with the preferred

⁴¹ Available at: <https://jpautoceste.ba/en/grievance-mechanism/>

⁴² Available at: http://www.jpautoceste.ba/wp-content/uploads/2021/05/Grievance-Mechanism_FINAL-ENG.pdf

⁴³ Available at: <https://jpautoceste.ba/en/grievance-mechanism-form/>

method of communication specified by the complainant, if contact details of the complainant are provided. If Company is not able to address the issues raised by immediate corrective action, a long-term corrective action will be identified. The complainant will be informed about the proposed corrective action and follow-up of corrective action within 20 working days upon the acknowledgement of grievance, depending on the levels of complexity of the complaint. Preventive actions will be identified and implemented with the aim of preventing recurrence of the same issue in the future; these will also be communicated to the complainant.

Contact details for submitting comments and concerns regarding the Project are available below.

Motorways of the Federation of Bosnia and Herzegovina

Attention: *Grievance mechanism contact person*

Postal Address: Adema Buća 20, 88000 Mostar

Hamdije Kreševljakovića 19, 71000 Sarajevo

Telephone: +387 33 277 900 or +387 36 512 300

E-mail address: prituze@jpautoceste.ba

www.jpautoceste.ba

11.2. Grievance procedure in FBiH

In addition to using this grievance mechanism, complainants will also be able to seek legal remedies in accordance with the laws and regulations of the FBiH at all times. The procedure is summarised as follows:

- Complaints against the decision on expropriation shall be decided upon by the Federal Administration for Geodesy and Property-Legal Affairs;
- Grievances are submitted to the first level administrative body that brought the decision on expropriation (municipality/city);
- Deadline for submission of grievances is 15 days;
- Any grievance shall be responded to and processed within 30 days;
- Against the decision of the second level administrative body, administrative litigation can be initiated before the cantonal court within 30 days from the date when the decision was received;
- Information on legal remedy represents an integral part of every decision;
- If no agreement on the compensation is reached within two months from the date when the decision on expropriation entered into force, the municipal/city administrative body shall promptly submit the valid expropriation decision together with other relevant documents to the competent Court, at whose territory the expropriated real property is located, for the purpose of determining the compensation.
- If the municipal or city administrative body fails to act in line with the above provision, the previous owner and the expropriation beneficiary may approach the Court directly for the purpose of determining the compensation.
- The Law on Administrative Procedure prevails over the Law on Expropriation so that the grievance procedure shall be conducted in accordance with the Law on Administrative Procedure.
- For resolution of any disputes that could not be readily solved by direct interaction between the parties, mediation will be used as a voluntary procedure for extra judiciary settlement of disputes. A third party independent and impartial mediator will be hired by JPAC and shall receive the information on all disputes.
- The competent court shall *ex officio* decide in out-of-court proceedings on the amount of compensation for the expropriated real property.
- Proceedings for determining the compensation for expropriated real property are urgent. The proceedings should be completed as soon as possible and not later than 30 days from the date of initiating court proceedings;
- It is possible to file a separate appeal against the court decision on the compensation.

11.3. Grievances and Disputes Received to Date

As already mentioned, affected owners were informed of their right to appeal at many stages of the process, as defined by the Law on Expropriation and LARF, including administrative and judicial appeals against the decision on public interest, the decision on expropriation and regarding compensation.

In addition, the Company provided all PAP with contact information of the officials tasked with expropriation activities within the Company and the respective municipalities for purposes of submitting enquiries and grievances.

Complaints and disputes initiated during the expropriation procedure (18 in the Municipality of Tešanj and 1 in Usora) are summarised as follows:

Table 14: Complaints and disputes during the expropriation procedure

Reason of complaint/dispute	Number of disputes	Initiated by	Initiated before	Resolution status
Request for increase in amount of compensation offered	18	Affected owner	Municipal Court	Solved: A total of 10 cases were solved. Pending: In 8 cases Municipal Court will decide to accept or refuse the request for increase in amount of compensation. In one case owner refuse to deliver information about bank account needed for payment of compensation.
Dispute regarding co-ownership of the plot	1	Affected owners	Municipal Court	Pending: Municipal Court to decide about ownership rights and compensation amount.

12 MONITORING, EVALUATION AND REPORTING

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

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

- Overall spending on expropriation and compensation
- Number of PAP by categories (consistent with categories in the entitlement matrix)
- Number of structures (residential and non-residential) identified on affected land plots
- Number of private land plots identified by the contractor as necessary to be temporarily occupied during construction works (type of land plot, amount of compensation paid, duration of land occupation)
- Number of public meetings and consultations with affected people
- Number and percentage of individual negotiated settlements signed before the beginning of construction activities
- Number of persons requesting special assistance and types of assistance provided to vulnerable individuals/households in a timely manner
- Number of people having received cash compensation in the period with distribution by compensation type and by classes of amounts
- Number and amount of payments that restore livelihood loss (if applicable)
- Number and amount of payments that restore loss of income
- Successful re-establishment of relocated businesses (new location, level of income, number of employees) successful relocation of households (new location, level of income)
- Number of successfully re-established agricultural activities after land acquisition or restriction of access as a result of the Project (level of income)
- Number and type of grievances, including any court cases, related to land acquisition (submitted and resolved and how long it took for them to be resolved)

Upon implementation of LARP, the Company shall submit a **Resettlement Execution Report** to EBRD. It will also organise an **external completion audit** in agreement with the EBRD. Per EBRD's Policy, the mitigation of economic displacement shall be considered complete when the completion audit concludes that affected persons or communities have received all of the assistance for which they are eligible, and have been provided with adequate opportunity to restore their livelihoods. Accordingly, the completion audit has the following objectives:

- assess the effectiveness of measures to avoid and minimise displacement impacts,
- verify that all entitlements and commitments described in the LARP have been delivered,
- determine whether LARP measures have been effective in restoring or enhancing affected peoples' living standards and livelihood,
- check on any grievances that may have been left outstanding.

The completion audit report will present conclusions on the effectiveness of the implementation of the LARP commitments and identify any corrective measures that could be necessary.

13 IMPLEMENTATION ARRANGEMENTS

13.1. Responsibilities for Implementation

The Company has the ultimate responsibility for implementation of this LARP, while all stakeholders involved in its implementation are required to comply with the requirements defined in this LARP. A Project Implementation Unit (PIU) for this section has been established, and will be responsible for Project implementation and for communicating with PAP. The PIU will be required to respect all provisions of the Loan Agreement to be signed with EBRD for construction of this section, as well as all other procedures applied by EBRD during the construction of this section. PIU will communicate with all owners of land plots and/or residential/business structures with whom agreements on compensation are reached that they have a period of 60 days, starting from the day of payment of monetary compensation or the day of assigning an adequate replacement land plots and/or residential/business structures, to vacate their properties.

On behalf of the Municipality of Tešanj, the expropriation process will be led by the Department of Cadastre, Urbanism and Property-Legal Affairs and its appointed Land Acquisition Committee. On behalf of the Municipality of Usora, the expropriation process will be led by the Department for Geodetic Affairs, Real Estate Cadastre, Property and Legal Affairs and Urbanism and appointed (Commission for conducting the expropriation procedure) Land Acquisition Committee. On behalf of the Municipality of Doboju Jug, the expropriation process will be led by the Department of Urban Planning, Cadastre and Geodetic Affairs and its appointed Land Acquisition Committee. The responsibilities will be divided as shown in the table below:

Table 15: List of responsibilities

Task	Responsible entity
Information disclosure to all Project affected people	Company/PIU/Municipalities
Valuation of property	Independent court experts
Direct communication with and visits to owners and occupants	Company/PIU/Municipalities/Land Acquisition Committees
Negotiations and entry into agreements	Company/PIU
Providing assistance to vulnerable people / households	Company/PIU in cooperation with municipalities and competent institutions for assistance to vulnerable persons
Payment of compensation and providing other assistance	Company/PIU/ Municipalities/Land Acquisition Committees
Assessing and providing livelihood restoration assistance	Company/PIU
Grievance management	Company/PIU/Land Acquisition Committees
Monitoring, evaluation and reporting	Company for internal monitoring and evaluation Independent third party for external monitoring and evaluation Supervision Engineer for external monitoring during construction works

13.2. Resources Required for Implementation at PIU Level

A Project Coordinator and ten other members of PIU have been appointed by the *Decision of appointment of the Project Implementation Unit*⁴⁴, three of whom are responsible for expropriation (including the Compensation and Resettlement Coordinator), who reports to the Project Coordinator and ensures that tasks identified above are timely implemented.

⁴⁴ JPAC Decision on Appointment of the PIU for the Construction of Motorway on Corridor Vc, Section Putnikovo brdo-Medakovo (May 29, 2020)

In accordance with Article II of the Decision, the PIU is obliged to fully follow and respect all provisions of the *Loan Agreement No. 50603*, between BIH and EBRD as well as all other Procedures applied by the EBRD, during the construction of Putnikovo brdo - Medakovo motorway subsection.

13.3. Funding Arrangements

The borrower is to fund compensation for expropriation as well as expenses related to implementation of resettlement activities. The borrower provided *Confirmation of Union Bank d.d. Sarajevo No FSA 15/1-077/20 from 28.01.2020* as evidence that required funds have been secured and deposited⁴⁵. A specific item shall be identified in the budget of the Company to take care of compensation and resettlement activities associated with the section Putnikovo brdo - Medakovo Project.

Table 16: Estimated LARP budget for section Putnikovo brdo - Medakovo

Type of expense	Amount (BAM)
Compensation for residential structures	6,500,000.00
Compensation for business structures	1,500,000.00
Compensation for auxiliary structures and other construction elements (e.g. water wells, water pipes...)	3,500,000.00
Compensation for agricultural and forest land	30,000,000.00
Compensation for orphan land	3,800,000.00
Compensation for crops	1,800,000.00
Compensation for construction land	4,300,000.00
Expenses under Article 47 of the Expropriation Law	250,000.00
Assistance to vulnerable people	100,000.00
Costs of court experts, commissions and other expenses	750,000.00
Land conversion from agricultural/forest to construction land	2,500,000.00
Total (€)	EUR 28,121,053.46
Total (BAM)	55,000,000.00

Due to the high price of land in the municipality of Tešanj and regulations of Usora river (approx. 5.9 km) and Tešanjka river (approx. 4.5 km), which was not foreseen by the plan, deviations from this plan and an increase of the estimated LARP budget for section Putnikovo brdo - Medakovo is very likely. The plan was made before much of the land needed to regulate the rivers Usora and Tešanjka were included in the expropriation.

⁴⁵ Law on Expropriation of FBiH, Art.24 (Official Gazette of FBiH, No. 70/07, 36/10, 25/12 and 34/16)

ANNEXES

A	Abbreviated Version of the Census Database Not Containing Confidential Data
B	Socio-economic Survey Questionnaires
C	Statement of Consent for the Processing and Use of Personal Data
D	Notification on Socio-Economic Survey
E	Public Grievance Form and Contact Information
F	Photographs of Affected Residential Structures