

Public Water Management Company Srbijavode

European Bank for Reconstruction and Development

Environmental and Social Impact Assessment, Climate Change Assessment and Technical Assessment for Pambukovica Dam in Serbia

Historic land acquisition audit with Corrective Action Plan

Reference: 2025/15

Final | 12 August 2025



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Abbreviations

Abbreviation	Full name
CM	Cadastral Municipality
EBRD	European Bank for Reconstruction and Development
EIA	Environmental Impact Assessment
ES	Environmental and Social
ESIA	Environmental and Social Impact Assessment
ESP	Environmental and Social Policy
LRP	Livelihood Restoration Plan
MAFWM	Ministry of Agriculture, Forestry and Water Management
PAP	Project Affected Person
PGD	Design for the Building Permit (Projekat za gradjevinsku dozvolu)
PR	Performance Requirement
RS	Republic of Serbia
ToR	Terms of Reference
WMD	Water Management Directorate

Glossary

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

CUT-OFF DATE. The cut-off date, i.e. the moratorium date after any changes in property ownership are not considered during the land expropriation procedure. The cut-off date for the Project is 18 August 2022, which is the date of the adoption of the Declaration of public interest for the Project. For the assets on land (crops and structures) the date when the Asset survey is conducted for the land parcel is considered the cut-off date for crops and structures.

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

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

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

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

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

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

PROJECT AFFECTED AREA. In the context of this document, project affected area is considered to be the territory of four cadastre municipalities four cadastre municipalities, three in Municipality Ub (CM Pambukovica, CM Raduša, and CM Slatina) and one in the wider area of the City of Valjevo (CM Gola glava).

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

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

TRANSITIONAL ALLOWANCE. Describes one-off compensation as an additional financial assistance to facilitate PAPS' adjustment in the area to which they are relocated.

1. Introduction

1.1 About the Project

The European Bank for Reconstruction and Development (the “EBRD”) is considering providing finance to the Republic of Serbia (the “Borrower”, or the “Client”), represented by the Ministry of Finance.

The Loan is expected to finance the construction of a new impoundment dam and reservoir infrastructure at Pambukovica including associated works such as upstream sediment traps, road realignment etc. (the “Project”). Proceeds of the loan will also finance project implementation support, supervision of works and front-end fee.

The Project will be implemented by the Public Water Management Company Srbijavode (“Srbijavode”), the national body responsible for water management, including water use and protection from pollution. It is also responsible for management of risks associated with water bodies (such as flood risk). Srbijavode operates under the Water Management Directorate (WMD), which in turn is an administrative authority of the Ministry of Agriculture, Forestry and Water Management (MAFWM).

As this Project involves the greenfield development of a large dam, the EBRD has assigned it as a Category A project.

The land acquisition process to date is being implemented according to the national legal framework.

1.2 About this Document

The Historic Land Acquisition Audit has been carried out for the currently ongoing process of acquiring the land needed for the first phase of the Project – the construction of the dam and the accumulation reservoir, to review and assess the process to date, and confirm any gaps between the process and the EBRD requirements related to land acquisition, and to describe any further mitigation measures required to bring the processes of land acquisition, resettlement and livelihood restoration in compliance with the EBRD’s ES Policy (2019).

The key objectives of the audit are the following:

- to review and verify the progress in the expropriation of land and other property for the Project,
- to confirm whether defined policies, requirements and entitlements have been aligned with EBRD requirements, specifically PR5, including grievance redress and consultation processes,
- to identify if there are any outstanding actions required to bring the processes of resettlement and livelihood restoration in compliance with the Project requirements and by so, in compliance with:
 - national legislation of the Republic of Serbia,
 - EBRD Performance requirements (PR5), and
 - World Bank requirements as outlined in the Environmental and Social Framework, Environmental and Social Standard 5.
- to describe further corrective measures required to bring the processes of land acquisition, resettlement and livelihood restoration in compliance with PR5, define timeline and responsibilities for their implementation,
- to identify any lessons learned that might be useful for Phase 2 of the Project – the irrigation network, or for any future projects, developing new national policies and legal and institutional framework.

1.3 Methodology

An impact assessment has been conducted based on review of secondary data sources, including project documentation, publicly available data, and applicable legislation and standards relevant to land acquisition and livelihood restoration, as well as collection of primary data through survey of the affected communities and interviews with government entities implementing the expropriation process.

The assessment was conducted in line with the overall methodology for the ESIA as presented in BOOK 1 Introduction.

Desktop Review

The collection and processing of baseline data presented in this chapter has been done through a number of methods, including:

- Desktop review and analyses of official socio economic statistical data available online from the Statistical Office of the RS, at village and municipal level
- Desktop review and analyses of other publicly available data from various sources, including the National Employment Agency of the RS, the Business Registry of the RS, municipal studies and plans, etc.
- Desktop review of Project specific documentation – plans, studies, permitting documentation
- Feedback obtained during stakeholder meetings held with representatives of the municipalities Ub and Valjevo
- Analysis of data collected through the initial survey of households directly impacted by expropriation for the Project, in cadastre municipalities Pambukovica, Radusa, Slatina and Gola Glava
- Analysis of data collected through the initial survey of households in the neighbouring cadastre municipalities, who might be indirectly affected by Project activities, and could potentially be included in phase II of the project (irrigation system)

The main documents reviewed as part of this assessment include:

- Expropriation study developed by Energoprojekt-Hidroinzenjering a.d. dated Feb 2020.
- Updated Expropriation Study developed by Andzor inzenjering d.o.o. dated Apr 2022.
- Reports on completed expropriation as provided by Srbija Vode
- The Environmental Impact Assessment (EIA),
- Project design for the Building Permit
- Spatial and Regulation Plans

The primary data collection was conducted through a survey of households whose property is being expropriated. The survey was conducted in November 2024. The municipal questionnaires focused on the following areas:

- Their status in the process of expropriation.
- Assessment of consultation process and compensation offered.
- Basic socio-economic data about the households including information to inform the vulnerability assessment.
- Livelihood sources, reliance on agriculture, reliance on ecosystem services.
- Self-assessment of the status of their household before and after expropriation.

Initial Survey

The initial survey was carried out using a structured questionnaire developed to gather key baseline information from PAPs. Sampling for the initial survey was carried out on a randomised basis through door-to-door surveying. A total of 34 PAPs (approximately 11% of the total number of PAPs) participated in the survey, with efforts made to ensure a roughly equal distribution of respondents among all four affected local communities. Additionally, where possible, the survey team have strived to ensure a roughly equal geographic distribution of PAPs, however, it should be noted that no significant variations were observed in the data collected across the various hamlets covered.

During the survey, the respondents were informed that the participation in the survey was entirely voluntary, that their identities would remain anonymous throughout the lifecycle of the project, and that they had the right to withhold any information they did not wish to share. Moreover, they were also informed that the data collected would be used to make generalized conclusions only and to inform the further project planning, support evidence-based decision-making and ensure alignment with applicable policy requirements. The questionnaire used in the CM Gola Glava was adjusted to reflect the status of expropriation process at the time of the initial survey and excluded the questions related to the satisfaction with the offered compensation, as no compensation offers had yet been provided in this community. Data collected during the initial survey was analysed and used during preparation of this report.

Additional Survey

Due to concerns that the initial sample was limited and the sampling approach was not stratified, therefore may not have provided a comprehensive picture of individual impacts on the PAPs, and allow identification of PAPs who might be adversely impacted by the project due to their vulnerabilities, additional surveys with PAPs will be conducted during the ESIA public disclosure period.

The overall target of the additional survey sample is 60 people (20% of all PAPs), excluding the PAPs who have already been surveyed. This would bring the total number of surveyed PAPs to 94, or approximately 30% of all PAPs (307). This sample size slightly exceeds the threshold typically associated with a 95% confidence level and a 10% margin of error. The current estimated number of PAPs is 307, roughly 208 are men and 99 are women title holders; therefore, the targeted number of women in the additional survey will be 20. Responses from the PAPs already surveyed have been mostly homogenous, indicating a similar scope and level of impact of the Project across directly affected communities. As such, a total sample of 30% is considered sufficient to provide a general overview of the impacts, while allowing for deeper insight identification of members of the community with specific impacts.

The additional survey will be carefully planned to ensure appropriate representation of communities and vulnerable groups, including women-led households, households with income below the poverty line, elderly without family support, and single parents with minors, households experiencing significant land impact, households left with unviable land plots, and other groups. Ensuring the inclusion of these subgroups will enhance the representativeness of the data and support the identification of individuals who may be disproportionately affected by the project, thereby helping to ensure proper mitigation planning and stakeholder engagement. Details of the additional survey are presented in the table below, and the proposed initial questionnaire is provided in Appendix A.

The additional survey will to be conducted through three main avenues – individual/random surveys, targeted surveys, and focus group discussions. The criteria and targeted sample sizes are presented in the table below. The support from municipalities where PAPs are located will be sought to ensure identification and survey of potentially vulnerable PAPs.

	Criteria	Target	Timeline
Individual / random survey	Additional survey of PAPs during the targeted surveying. These PAPs will be randomly surveyed with the preference given to women-led households, households with income below the poverty line, and single parents with minors. These PAPs would be identified with the support of the Municipality representatives conducting the expropriation process.	15 PAPs	Planned within first 60 days of disclosure period

Focus Groups	Focus group discussion to be organised during the planned public consultations for the ESIA, which are expected to take place in each municipality during the public disclosure period	4 focus groups (one in each CM) consisting of 3-5 members. Participants of each focus group will be split into two sub-groups (one mixed and one women-only)	Timeline dependent on the schedule of public consultations organised by Srbijavode (expected in Sep 2025)
Targeted surveys	PAPs with significant impacts:	Overall target 30 PAPs split among the individual groups:	Timeline dependent on support provided by Municipalities
	PAPs who have had more than 1ha of land expropriated – 25 PAPs identified in the census, across all four CMs (10 in Municipality Valjevo, 15 in Municipality Ub)	10 PAPs total: 6 in Municipality Ub 4 in Municipality Valjevo (40% target)	Planned within first 60 days of disclosure period
	PAPs who have initiated court procedures – 18 PAP identified in the census to date all in Municipality Ub (no initiated court procedures in Municipality Valjevo as compensation proposal have still not been issued)	8 PAPs (40% target)	Planned within first 60 days of disclosure period
	PAPs who have reported difficulties during the expropriation process (PAPs who have reported difficulties during the expropriation process (limited movability due to age or illness, limited understanding of the process) – these PAPs would be identified with the support of the Municipality representatives conducting the expropriation process	12 PAPs total: 10 in Municipality Ub 2 in Municipality Valjevo (based on the overall percentage of PAPs in each Municipality)	Planned within first 60 days of disclosure period

1.3.1 Assumptions and limitations

This report has been prepared based on a review of the available information (including data on land impacts available at the time of preparation), as well as data collected during the initial survey. It will be further updated during the disclosure period to incorporate additional information to be collected through supplementary surveys and focus group discussions.

In addition, more details will be gathered regarding potential additional impacts from road re-alignment (for 900-meter section of State Road No.21 to be raised above the reservoir's maximum water level), as well as possible solutions for the embankment to avoid impacts on a residential structure. While these changes are not expected to result in major changes to the land affected, they will be reassessed as more data becomes available. Land acquisition is still in progress and areas of impact refer to the dam, the reservoir and access roads. It should be noted that some potential land impacts cannot be precisely determined at this stage of the project, as explained below. Some limited modifications are expected as the project progresses, including during construction.

Potential additional land requirements may include the following, and more details will be provided in the updated version of the report:

- Biodiversity offset – This will be confirmed at a later stage. Based on current discussions, it is unlikely that additional land will be expropriated for this purpose.
- Access to sediment traps – It is expected that access will be established through easement contracts via direct negotiation with landowners; no transfer of ownership or expropriation is anticipated.

- Possible road widening – This will be confirmed at a later stage. Road widening is typically negotiated with the local community depending on current road conditions (e.g., whether it can support heavy vehicle traffic). The land is acquired through easement contracts with landowners, and the community benefits from an improved road.
- Relocation of a monument – The only relocation involves a monument with a 1x1m base, which will most likely be moved to another location within the same private parcel.
- Burial grounds – No burial grounds are impacted by the Project.
- Forest roads – These are typically established through easement contracts negotiated directly with landowners; no ownership transfer or expropriation is foreseen.

Currently, there is no information on the scope of potential land impacts from Phase 2 – irrigation system, or the scope of temporary land acquisition during the construction stage of Phase 1, which is described in 2.1 below (e.g., for site office, camp, storage and maintenance areas, deposit areas, etc.)

2. Project Description and Impacts

2.1 Technical characteristics

The Pambukovica proposals envisage development of a 27 m earth embankment dam (the Pambukovica dam) on the Ub River (about 21 km upstream of Ub settlement in Ub municipality) and an irrigation network within the Ub River Valley. The dam will be a multipurpose dam impounding a total reservoir volume of 8.15 Mm³. Its intended functions are:

- Flood protection,
- Irrigation of 2,225ha,
- Maintaining a guaranteed ecological flow in reservoir and downstream river,
- Retention of sediments.

Pambukovica Dam is envisaged to be on river Ub approximately 21 km upstream from the confluence to Tamnava River, which is 15km west from the settlement of Ub. Location of the Dam belongs to cadastral municipalities of Pambukovica, Radusa, Slatina and Gola Glava. Location of Pambukovica dam is shown in Figures 1 to 3 below.

Construction and preparation of technical documentation for Pambukovica dam is foreseen in two phases:

- **Phase 1:** Construction of Pambukovica dam. For construction of the dam, and before impoundment, a 900m long section of the State Road No.21 will need to be raised above the maximum water level of the reservoir, and additional services located in the reservoir footprint relocated. Phase 1 will complete with the impoundment of the river and formation of the reservoir. Since the gap analysis was conducted, the dam design has been developed up to the “Project for the Building Permit” (PGD) stage, as defined by national legislation. Conceptual design of the road re-alignment is in progress.
- **Phase 2:** Construction of an irrigation system within Ub Municipality is planned to begin in parallel with finalisation of Phase 1 works. Irrigation works will involve construction of the key facilities of the irrigation system distribution network which include pump stations, pressure pipelines and the tanks for daily balancing of the inflow. The rest of the distribution network infrastructure is planned to be developed to full capacity in the subsequent two years. Development of the secondary distribution network is planned concurrently with the primary distribution network.

Although EBRD are not currently considering financing Phase 2, is it considered an inherent part of the delivery of the Project objectives, an Associated Facility under the Environmental and Social Policy 2019 (ESP) and thus should be considered appropriately in the Tasks, including as identified in the Terms of Reference (ToR). A Feasibility study and associated Preliminary design of Irrigation system were completed in 2018. An Environmental Impact Assessment (EIA) for the irrigation system is not envisaged at this time.

2.2 Project area

Pambukovica is a village located in western Serbia, within the municipality of Ub, which is part of the Kolubara District. It lies approximately 80 kilometers southwest of Belgrade, the capital of Serbia. The area is primarily rural and agricultural, with nearby towns including Ub, Valjevo, and Lajkovac. The location of the project area is shown in Figure 1 below, while Figure 2 demonstrates the total project area (Phase 1 and 2), and Figure 3 presents the location of the dam and reservoir in relation to nearby settlements and State Road No. 21 (Phase 1). In addition, aerial photographs taken during a drone flyover of the project area are provided in Appendix B

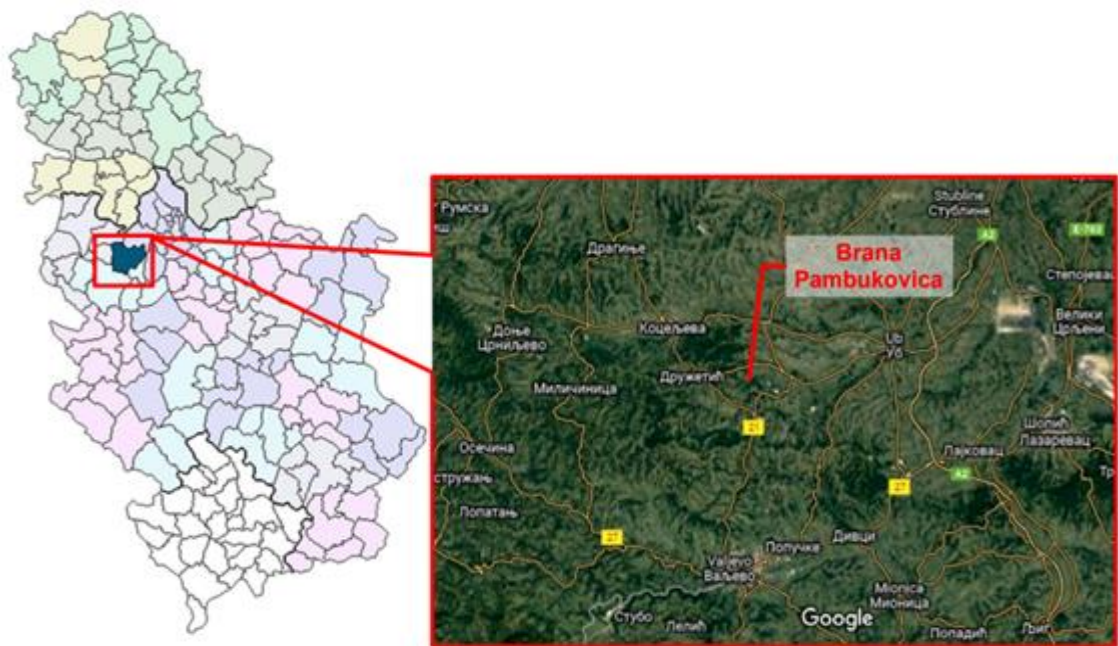


Figure 1 - Project location in relation to Serbia, and the Kolubara region

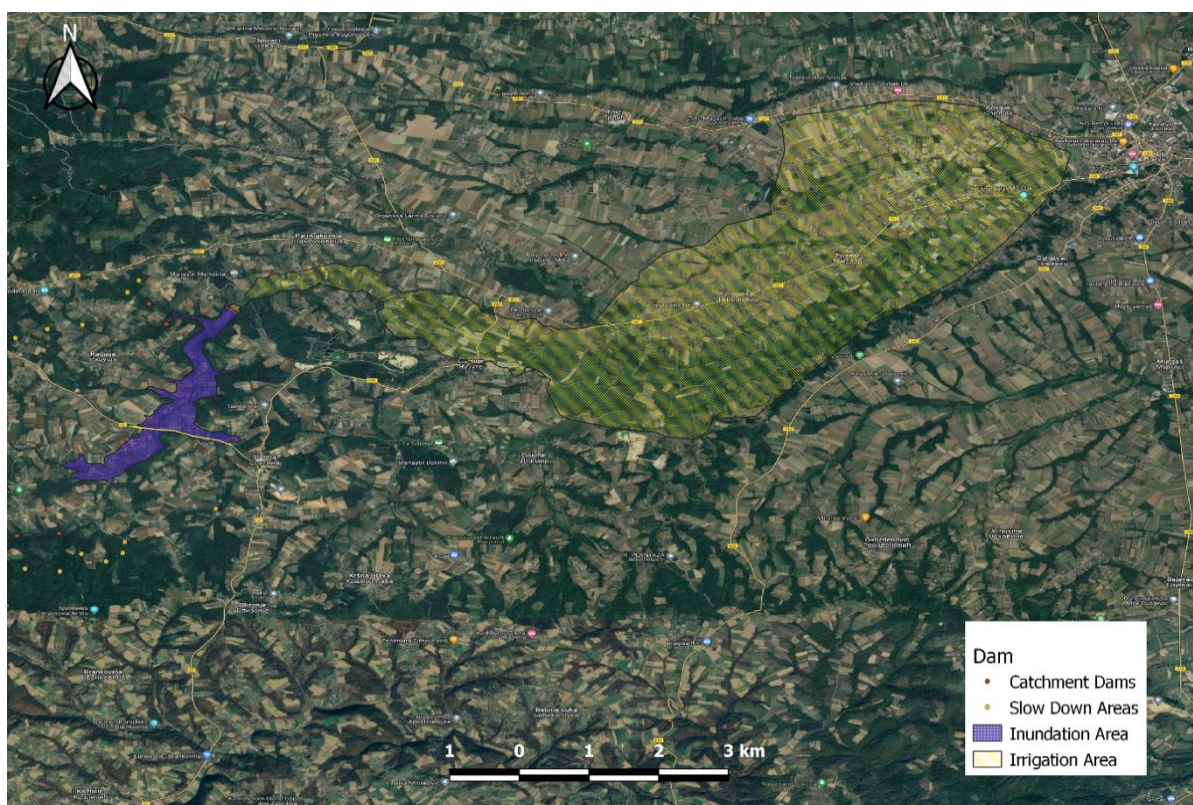


Figure 2 - Total Project area, including the irrigation network (Phase 2)



Figure 3 - Location of the dam and the reservoirs in relation to the nearby settlements and the state road no 21 (to be relocated / elevated)

The Project impacts the land within the four cadastre municipalities, located mostly in the Municipality of Ub and partially in the wider area of the City of Valjevo.

The current assessment of land impacts covers areas of land required for the construction of the dam and the reservoir.

Some additional land acquisition might be required for widening of the existing roads, sediment traps on the Ub river tributaries and the access roads to these sediment traps, as well as for rural roads to ensure access to private property where required. The location and area of this additional land could not be identified at this stage. It is assumed that this additional land acquisition would be impacting small areas of land from individual owners, and would be acquired through easement contracts. The position of the access roads is agreed in advance with the owners to ensure minimal negative impact, and provision of added benefit if possible.

Finally, the ESIA process might result in additional land being acquired to mitigate the impacts on biodiversity (biodiversity offset), however this impact is not expected and the scope is yet to be finalised.

Land that would be temporarily used during construction (e.g., for the camp area) has not yet been identified. These areas are expected to be arranged directly by the Contractor, with the assumption that the camp and storage areas will be located within the reservoir area, which is currently under the process of expropriation.

2.3 Project impacts

Project affected land

According to the data available at the time of preparation of this report, the overall area of the Project spans 2,674,664 m² across 578 land parcels which are being expropriated. Of these, 2,230,024 m² are located within the Municipality of Ub, specifically the cadastral municipalities (CM) of Pambukovica, Raduša, and Slatina. The other 444,640 m² of land targeted for acquisition are within the CM Gola Glava, which falls administratively under the jurisdiction of the City of Valjevo. The cadastral map with land plots overlaid on satellite imagery, including the inundation zone of the reservoir, is presented in Appendix C. These images offer insight into land use patterns along the river and within the project area.

The number of impacted PAPs is currently estimated at 307 at this stage of the expropriation process. This number may change by the end of the process, as further confirmations of ownership are completed. It is not uncommon for individuals to own several land parcels within the Project area, or for a single land parcel to have multiple owners, each holding a specific percentage of ownership.

The majority of affected land is agricultural (74%), followed by forest land (14%), rivers (5%), and existing road infrastructure (6%). The remaining 1% includes construction land, house yards, infertile land and orchards¹. Most of the land is privately owned, with the exception of the roads and rivers which are publicly owned. The table below illustrates the impacts on land, as defined in the Expropriation studies.

Table 1 Overview of affected land parcels

Cadastral Municipality	Number of affected land parcels		
	Total	Private	Public
Pambukovica	57	53	4
Radusa	261	226	35
Slatina	170	118	52
Gola glava	90	79	11
TOTAL	578	476	102

The data presented in this report is based on available cadastral information. The list currently available includes entries that require further verification to ensure that totals are accurate, missing fields are identified, and all records are complete. The Excel documents provided for Ub Municipality shall be reviewed and cross-checked against updated cadastral records and other available expropriation-related documents to ensure data consistency and completeness. These updates will be reflected in the LRP (to be prepared during the disclosure period).

Most of the impacted agricultural land is actively cultivated – either by the owners directly or leased to other agricultural producers.

Project affected businesses

There are no businesses directly impacted by the land acquisition for the Project, neither in the area directly impacted by the project or along the access roads planned to be utilised for the Project. The project only impacts agricultural production.

Project affected structures

In total, five structures have been identified within the area of expropriation, not considering the public roads which will be affected by the Project. These structures include two residential (one weekend house; one vacant, not finished, not used for living), one small outhouse, one auxiliary structure (barn) and one monument. The structures are shown in the photos below (see Figures 4-6).

¹ In Serbia, land is classified into four categories: 1) construction land, 2) agricultural land, 3) forest land, and 4) water land. These categories are defined through spatial and urban planning documents. Cadastre register holds further subdivisions based on qualitative and other determining factors, where applicable (e.g. class of agricultural land). It should be noted that constructing liveable structures on agricultural land is not permitted. Legalization of residential structures on agricultural land is possible, among other prerequisites, only through the conversion of agricultural land into construction land, which requires amendments to the relevant planning documents. Construction land refers to the land where construction is allowed. Land designated as construction land may still be cultivated until there is a need to build.



Figure 4 - Residential property - part time residence with the outhouse visible on the left side



Figure 5 Residential property - vacant and unfinished



Figure 6 - Auxiliary structure - barn



Figure 7 - Monument to WWII soldiers

Despite two residential buildings being affected the Project will not result in any physical resettlement.

One of the residential buildings, covering an area of 562 m² belongs to a local retired couple who reside primarily in Austria. The rest of the property also includes a 46m² outhouse to the side of the main house. The property is currently used by the owners as a seasonal residence for a few months each year. However, it was originally intended to become their permanent home upon retirement. Although no formal requests for exemption from expropriation have been submitted by the owners, they have been in contact with Srbijavode about finding a technical solution to exclude the property from the expropriation zone, since the property lies at the edge of the planned reservoir. The solution considers construction of an embankment wall to the east of the property towards the reservoir. The technical solution might also require additional consideration during the operational phase of the dam. As indicated in the image shown in Figure 8 - Residential property within the potential water levels below the property is expected to be partly within the area of the reservoir for the design of the normal water level. In case of 10,000-year water level and at dam crest water levels the property is expected to be well within the reservoir. It is therefore not expected that the proposed embankment could provide sufficient safety for the property, and the property will most likely have to be expropriated. Additional details will be collected and included in the updated report.



Figure 8 - Residential property within the potential water levels

The other residential property is a large two story building the surface area of which has not been determined. The building is not finished and based on its weathered state it has been left unfinished for several years. It is not used for permanent nor temporary residence.

The barn is used for storage of equipment and livestock feed. No livestock was noted in the barn during the survey.

The monument (see Figure 7) is located on a privately owned land parcel and is not recorded by the local cultural heritage agencies. It is approximately 1m² in base (1m x 1m) and approximately 2,5 m high, made out of stone. The monument is expected to be relocated and negotiations are ongoing with the parcel owner and the CM representatives regarding the location for relocation. Considering that only a part of the land parcel is affected, the monument will most likely be relocated to the remaining part of the same land parcel, away from the affected portion. The cost of relocation is the responsibility of Srbijavode (as Beneficiary of Expropriation), however there are several options being considered – (i) for the owner to arrange the relocation themselves and the cost to be reimbursed by Srbijavode, (ii) for Srbijavode to engage a contractor to relocate the monument, or (iii) that the relocation of the monument is included under the scope of the Contractor for the dam construction. Additional details will be collected and included in the updated report.

The compensation for the structures will be determined through the expropriation processed by an accredited expert witness in the field of structural engineering.

Project affected crops

Majority of the parcels being acquired for the Project are agricultural in nature, primarily cultivated with annual crops such as grains, wheat, and corn, with some orchards and vineyards as well. This is typical with alluvial planes along the river where soil is relatively flat and of higher quality. Across the area of the reservoir there are also significant areas of forests that will be expropriated.

As part of the expropriation process, value of the crops is determined by an accredited expert witness in the field of agriculture who determines the value of the crops based on the type, maturity (in case of perennial crops and timber) and current market values. The expropriation law states that compensation for annual crops is determined and paid in situations where the owners are not allowed to harvest the crops. The valuation for the forest mass is being conducted in parallel with the valuation of the land. Owners will receive compensation for the loss of the trees as well as the land below. Similarly, in cases of perennial crops, the valuations by licenced experts refer to the crops, while the land is compensated additionally.

With regards to the annual crops, Srbijavode adopted the approach of timely notification instead of compensation. Considering that the start of the construction activities, or any site mobilisation is not imminent, the owners of land parcels will be allowed to cultivate their fields even after the expropriation of land is finalised, until the planted crops have come to yield. Compensation for annual plants will be provided out only in the rare cases where site activities have to start before the crops have come to yield and in those cases the valuers will determine the amount of compensation.

Identified risks

Considering the Project nature and scale, as well as the characteristics of the communities in the area under Project impact, the following impacts and risks have been identified. Each risk has been awarded a risk level L – low, M – medium, H – high, based on the risk justification which is also provided in the table.

Impact	Risk / Description	Risk level	Risk justification
Pre-Construction Phase			
Loss of land	Loss of construction land	L	Very small area of construction land is impacted by the project, and the majority of this is publicly owned land
	Loss of agricultural land (cultivated and not cultivated)	H	Large area of cultivated agricultural land is being expropriated for the Project, and the findings from the survey indicate high anxiety among the affected households regarding their ability to purchase adequate replacement land and reestablish agricultural production which has been identified as primary or secondary source of income, for the majority of affected household
Loss of crops	Loss of annual and perennial plants	M	Timely expropriation process and valuation for compensation defined by the specialised experts reduces the risk level
Physical displacement	Loss of housing resulting in physical relocation	M	One of the affected structures is a functional residential structure, utilised part-time by the owners (not primary residence at the moment, but was intended to be)
Economic displacement	Inability to continue with agricultural production	M	Surveyed households highlighted the lack of available and suitable land in the region which could be purchased to replace expropriated land
	Loss of income from land lease	L	Small percentage of land owners from the survey indicated leasing land. Termination of lease contracts can be announced timely, allowing for harvesting and eliminating any losses from loss of crops
	Loss of rural infrastructure (irrigation systems, informal access roads)	L	The compensation from expropriation should take into consideration any private investments in infrastructure
	Loss of auxiliary structures	L	The compensation from expropriation should take into consideration any auxiliary structures
	Loss of agricultural activities for subsistence production	M	Risk associated with elderly population who would not be able to continue maintain their vegetable gardens close to their residences
	Loss of grazing areas for livestock	L	Land in this area is not typically used for grazing and other similar land is available nearby
	Loss of business facilities	N/A	No businesses will be affected by the Project (apart from agricultural production)
Construction phase			

Impact	Risk / Description	Risk level	Risk justification
Economic displacement	Encroachment – construction activities outside of site boundaries (Construction machines, works, excess deposit materials, waste, etc.)	M	Risk should be managed through the Project ESMS and site specific management plans which are currently not available, due to the stage of the Project
	Temporary loss of access to property due to disconnected rural roads	M	To be addressed through the detailed design and the Contractor's Traffic Management Plan
	Damage to existing rural infrastructure (irrigation systems, informal access roads)	L	Trucks are unlikely to use the informal roads
	Damage to private property and failure from contractor to remedy damages (fences, auxiliary structures, houses, etc.)	M	These damages are typically covered by the Contractor's insurance, but there are often delays in the resolution of claims and payment of compensation.
	Loss of agricultural production due to soil contamination	L	Should be manageable through suitable traffic management and dust suppression measures
	Loss of income from ecosystem services	L	Limited impact on ecosystem services noted among the surveyed PAPs. Only as recreational activities (hunting and fishing). Beekeeping is not likely to be impacted by the project
Temporary land acquisition	Loss of potential for agricultural production due to soil contamination (failure to reinstitute land)	M	Temporarily acquired land would serve for the Project camp areas, storage and vehicle maintenance. Without proper precautions and reinstatement, the soil could be too polluted to allow for continuation of agricultural production
Operational phase			
Loss of access to property	Permanent loss of access to property due to disconnected or severely damaged rural roads ²	L	Article 10 of the expropriation law allows requests for expropriation of unviable land. Typically when such claims are made due to access issues, the Beneficiaries apply solutions that would grant access

² As adaptive design management approach is implemented on the Project, it is not expected that the number of people affected by permanent loss of access to property will be significant.

3. Legal framework

3.1 National framework

Below is selection of main national legislation relevant to the topic of land acquisition management and expropriation in Serbia, relevant to the Project:

- Expropriation Law (Official Gazette of the RS, No. 53/95, 16/2001, 20/2009, 55/2013, 106/2016)
- Law on General Administrative Procedure (Official Gazette of the RS No. 18/2016, 95/2018)
- Law of Contracts and Torts (Official Gazette of the RS, No. 29/78, 38/85, 45/89, 57/89, 31/93, 1/2003, 18/2020)
- Law on the Fundamentals of Property Relations ("Official Gazette of the SFRY" No 6/80, 36/90, FRY No. 29/96 and RS No. 115/05)
- Law on Agricultural Land (Official Gazette of the RS, No. 62/2006, 65/2008, 41/2009, 112/2015, 80/2017 and 95/2018)
- Law on Forests ("Official Gazette of the Republic of Serbia", no. 30/2010, 93/2012, 89/2015, and 95/2018 – other law)
- Law on Water (Official Gazette of the Republic of Serbia", no. 30/2010, 93/2012, 101/2016, 95/2018, and 95/2018 – other law)
- Law on Environmental Impact Assessment. (Official Gazette of RS, No. 135/2004, 36/2010)
- Law on Planning and Construction. (Official Gazette of RS, no. 72/2009, 81/2009, 64/2010, 24/2011, 121/2012, 42/2013, 50/2013, 98/2013, 132/2014, 145/2014, 83/2018, 31/2019, 37/2019, 9/2020, 52/2021 and 62/2023)
- Law on the Spatial Planning Law on the Spatial Plan of the RS from 2010 to 2020 ("Official Gazette of the RS", No. 88/10)
- Rulebook on the content, method and procedure for the development of spatial and urban plans (Official Gazette of RS, no. 32/2019)
- Rulebook on the Content of the Environmental Impact Assessment Study ("Official Gazette of RS", No. 69/05);
- Ordinance on capital projects ("Official Gazette of RS", No. 79/2023)

Document	Description
The Expropriation Law ("Official Gazette of the Republic of Serbia", No. 53/95, "Official Gazette of the Federal Republic of Yugoslavia", No. 16/2001 - Decision of the Supreme Court of Serbia and Montenegro, and "Official Gazette of the Republic of Serbia", No. 20/2009, 55/2013 - Decision of the Constitutional Court and 106/2016 - authentic interpretation).	This central law represents the main framework for expropriation in Serbia. Real estate can be expropriated or property rights over them can be restricted only in the public interest determined by law, with compensation that cannot be lower than market value. The public interest for the expropriation of immovables is determined by law or by the decision of the Government in accordance with this law. For the purposes of this law, immovables are considered to be land, buildings, and other structures.
The Law on General Administrative Procedure ("Official Gazette of the Republic of Serbia", No. 18/2016, 95/2018 - authentic interpretation, and 2/2023 - decision of the Constitutional Court)	The administrative procedure represents a set of rules that state authorities and organizations, bodies and organizations of provincial autonomy, bodies and organizations of local self-government units, institutions, public enterprises, special bodies through which regulatory functions are exercised, and legal and natural persons entrusted with public authorities (authorities) apply when resolving administrative matters.
The Law on Obligations (contracts and torts) ("Official Gazette of the Socialist Federal Republic of Yugoslavia", No. 29/78, 39/85, 45/89 - decision of the Constitutional Court and 57/89, "Official Gazette of the Socialist Republic of Yugoslavia", No. 31/93, "Official Gazette of the Federal Republic of Yugoslavia", No. 1/2003 -	This law deals with mandatory legal relationships arising from contracts, torts, unjust enrichment, unauthorized management, unilateral declarations of intent, and other facts specified by law.

Document	Description
Constitutional Charter and "Official Gazette of the Republic of Serbia" No. 18/2020)	
Law on the Fundamentals of Property Relations (<i>"Official Gazette of the Socialist Federal Republic of Yugoslavia"</i> , No. 6/80 and 36/90, <i>"Official Gazette of the Federal Republic of Yugoslavia"</i> , No. 29/96 and <i>"Official Gazette of the Republic of Serbia"</i> , No. 115/2005 - consolidated law)	This fundamental law establishes the central principles of property ownership in Serbia. It serves as the foundation for all processes of acquiring land, ensuring the respect of legal property rights, and providing a framework for determining fair compensation.
Law on Agricultural Land (<i>"Official Gazette of the Republic of Serbia"</i> , no. 62/2006, 65/2008 – other law, 41/2009, 112/2015, 80/2017, and 95/2018 – other law)	<p>This law regulates the planning, protection, development and use of agricultural land, the supervision of the implementation of this law and other issues of importance for the protection, development, and use of agricultural land as a good of public interest.</p> <p>Agricultural land is a good of public interest for the Republic of Serbia, which is used for agricultural production and cannot be used for other purposes, except in cases and under conditions determined by this law.</p>
The Law on Water (<i>"Official Gazette of the Republic of Serbia"</i> , no. 30/2010, 93/2012, 101/2016, 95/2018, and 95/2018 – other law)	This law regulates the legal status of water, integrated water management, management of water bodies and water land, sources and methods of financing water activities, supervision of the implementation of this law, and other issues important for water management.
The Law on Forests (<i>"Official Gazette of the Republic of Serbia"</i> , no. 30/2010, 93/2012, 89/2015, and 95/2018 – other law)	This law regulates the preservation, protection, planning, cultivation, and utilization of forests, as well as the disposal of forests and forest land, supervision over the implementation of this law, and other matters significant for forests and forest land.
Law on Strategic Environmental Impact Assessment (<i>"Official Gazette of the Republic of Serbia"</i> , No. 135/2004 and 88/2010)	This law regulates the conditions, methods, and procedures for assessing the impact of certain plans and programs on the environment (strategic assessment), aiming to protect the environment and promote sustainable development by integrating fundamental principles of environmental protection into the process of preparing and adopting plans and programs.
The Environmental Impact Assessment Law (<i>"Official Gazette of the Republic of Serbia"</i> , No. 135/2004 and 36/2009)	This law regulates the conditions, manner, and procedure for assessing the impact of certain plans, programs, and projects on the environment. Additionally, it governs the scope and content of spatial, urban planning, and technical documentation.
The Law on Planning and Construction (<i>"Official Gazette of the Republic of Serbia"</i> , no. 72/2009, 81/2009 - corr., 64/2010 - decision of the Constitutional Court, 24/2011, 121/2012, 42/2013 - decision of the Constitutional Court, 50/2013 - decision of the Constitutional Court, 98/2013 - decision of the Constitutional Court, 132/2014, 145/2014, 83/2018, 31/2019, 37/2019 - other law, 9/2020, 52/2021 and 62/2023)	<p>This law regulates the conditions and manner of spatial planning, development, and use of construction land and facilities, supervision over the implementation of the provisions of this law and inspection supervision, as well as other important issues related to spatial planning, development, and use of construction land and facilities.</p> <p>It should also be noted that according to Article 134a of this law, an investor investing in the construction of linear infrastructure facilities of special significance for the Republic of Serbia is obliged to provide the owner of a residential building constructed before the spatial plan designating the land for public purposes came into force, with another suitable residential building or apartment, regardless of whether proceedings for the legalization of that building have been initiated, or to pay them monetary compensation in the amount</p>

Document	Description
	necessary to provide another suitable residential building or apartment.
<p>Law on Construction Land</p> <p>("Official Gazette of the Socialist Republic of Serbia", No. 20/79, 16/83, 38/84, 14/86, 27/86 - consolidated text, 45/89, 2/90 - correction, 23/90 - consolidated text and "Official Gazette of the Republic of Serbia", No. 3/90 - correction, 53/93, 67/93, and 48/94)</p>	<p>This law regulates the basics of the legal framework for construction land, property rights, and other real rights related to land in developed areas where property rights exist and establishes principles for the development and use of construction land.</p>
<p>Law on Public Property</p> <p>("Official Gazette of the Republic of Serbia", no. 72/2011, 88/2013, 105/2014, 104/2016 - other law, 108/2016, 113/2017, 95/2018, and 153/2020)</p>	<p>This law regulates the right of public property and certain other property rights of the Republic of Serbia, autonomous provinces, and units of local self-government. Public property includes the right of ownership of the Republic of Serbia (state property), the right of ownership of an autonomous province (provincial property), and the right of ownership of a unit of local self-government (municipal or city property).</p> <p>Public property includes natural resources, goods of public interest, and goods in general use for which it is determined by law to be in public ownership, items used by the bodies and organizations of the Republic of Serbia, autonomous provinces, and units of local self-government, public institutions, public enterprises, and other organizations established by the Republic of Serbia, autonomous provinces, and units of local self-government, and other items that are, in accordance with the law, in public ownership.</p>
<p>Law on State Survey and Cadastre</p> <p>("Official Gazette of RS", No. 72/2009, 18/2010, 65/2013, 15/2015 - decision of the Constitutional Court, 96/2015, 47/2017 - authentic interpretation, 113/2017 - another law, 27/2018 - another law, 41/2018 - another law, 9/2020 - another law and 92/2023)</p>	<p>This law regulates professional activities and tasks of state administration related to state surveying, real estate cadastre, cadastre of infrastructure and underground facilities, basic geodetic works, address registry, topographic-cartographic activities, real estate valuation, geodetic-cadastral information system, and National Infrastructure for Geospatial Data, as well as geodetic works in engineering and technical activities.</p>
<p>The Law on the Procedure of Registration in the Real Estate Cadastre and Cadastre of Infrastructure</p> <p>("Official Gazette of the Republic of Serbia", No. 41/2018, 95/2018, 31/2019, 15/2020, and 92/2023)</p>	<p>This law regulates the rules of procedure for registration in the real estate cadastre and the cadastre of infrastructure and underground facilities, their maintenance, the subject, and types of registration in that procedure, the rules of issuing extracts from the said registers, as well as other issues relevant to the maintenance of the real estate cadastre and the infrastructure cadastre. The provisions of this law regulating the subject and types of registration also apply to the procedure for the renewal of the cadastre, unless otherwise specified by law.</p>
<p>Law on Local Self-Government</p> <p>("Official Gazette of the Republic of Serbia", no. 129/2007, 83/2014 - other law, 101/2016 - other law, 47/2018, and 111/2021 - other law)</p>	<p>This law regulates local self-government units, the criteria for their establishment, competences, bodies, supervision of their acts and work, protection of local self-government, and other issues important for the exercise of the rights and duties of local self-government units.</p>
<p>Law on Communal Services</p> <p>("Official Gazette of the Republic of Serbia", no. 88/2011, 104/2016 and 95/2018)</p>	<p>This law defines Communal Services and regulates the general conditions and manner of their provision. According to this law, communal services are activities that provide utilities essential for meeting the living needs of individuals and legal entities. Local government units are obligated to create conditions for ensuring the appropriate quality, scope, accessibility, and continuity of these services, as well as to oversee their provision.</p>

Document	Description
	Communal services are considered activities of general interest, they include but are not limited to: supply of drinking water, treatment and disposal of rainwater and wastewater, production, distribution and supply of thermal energy, municipal waste management, urban and suburban passenger transport, cemetery management and burial, management of public parking spaces, provision of public lighting, management of the town markets, maintenance of streets and roads, maintaining cleanliness in public areas, chimney sweep services, maintenance of public green areas and pest control activities.

3.2 EBRD requirements

EBRD E&S Performance Requirements relevant to land acquisition, physical and economic displacement:

- PR1 - Assessment and Management of Environmental and Social Impacts and Issues;
- PR5 - Land Acquisition, Involuntary Resettlement and Economic Displacement;
- PR10 - Information Disclosure and Stakeholder Engagement.

3.3 Summary of the main gaps between the national legislation and EBRD requirements

Although national legislation is largely aligned with the requirements of the EBRD requirements with regards to the land acquisition, certain differences exist. To highlight these, we present an analysis of differences organized in a tabular format following the structure of the EBRD Performance Requirements.

It should be noted that some criteria, such as grievance mechanisms and community engagement, are applicable to both PR10 and PR5 but are included together in the table below.

Topic	EBRD performance requirements	Requirements according to national legislation	Identified gaps	Corrective measures
Stakeholder engagement	<p>PR 5 and PR10 requires active communication and consultations with all stakeholders, particularly involving consultations with the local community, including marginalized groups, socially or economically disadvantaged groups, and indigenous peoples (if located within the project's impact zone), throughout the entire planning and implementation cycle of the project.</p> <p>This involves adequate disclosure of information about potential impacts, collecting feedback, and consideration of received grievances during the decision-making and project development.</p>	<p>The Environmental Impact Assessment Law and the Law on planning and construction require public debates and consultations be held at every stage of document preparation, which typically includes information on land expropriation.</p> <p>The legal framework for these consultations is precisely defined in terms of when they should occur, how long the documents need to be publicly disclosed, and generally what they should encompass.</p> <p>Owners of parcels involved in the expropriation process are contacted directly after the public interest announcement, i.e., upon submission of the expropriation proposal. The expropriation process unfolds in two phases: (1) establishing status on the formal expropriation proposal and (2) establishing the compensation for the expropriated property. Both phases are conducted through individual consultations with the owners and official correspondence.</p>	<p>In the current legal framework for expropriation in Serbia, key provisions for early engagement with stakeholders and their meaningful participation in the decision-making process are lacking. Individuals affected by potential expropriation have the opportunity to learn about it through public announcements, but it is often the case that they are not informed until they receive the expropriation proposals in writing, leaving them without a voice at crucial early stages of project development.</p>	<p>Stakeholder Engagement Plan has been developed for the Project which includes a grievance mechanism and outlines the additional consultation measures aimed at providing necessary information to the affected communities.</p> <p>To date all grievances and issues related to the expropriation process have been conducted in line with the formal procedure defined under the Expropriation law.</p>
Grievance mechanism Accessibility and efficiency	<p>PR 5 and PR10 both require a transparent, accessible and culturally sensitive grievance mechanism, so that affected communities can effectively resolve the issues facing them. This includes clear procedures, timely responses to submitted grievances, and their just resolution.</p>	<p>The Law on Expropriation and the Law on Environmental Impact Assessment, as well as several other laws, regulate similar appeal mechanisms in different areas.</p> <p>Publishing and resolving grievances is mandatory in the process of adopting the planning documentation, impact assessment studies, and in the design process. This is a formal process with defined procedures and limited deadlines for receiving grievances.</p> <p>Similarly during the expropriation process, there is a formal procedure that allows comments and grievances are submitted at</p>	<p>Although the Republic of Serbia has established grievance mechanisms according to various laws, their effectiveness may be limited.</p> <p>The procedures can sometimes be complex, communication channels unclear, and the capacities of relevant institutions for timely and fair resolution may be lacking.</p> <p>In the process of expropriation, national legislation recognizes</p>	<p>There is no Project specific grievance redress process set up for this Project. All grievances related to the expropriation are being dealt with as part of the formal expropriation procedure.</p> <p>Grievance Redress Mechanism has been proposed within the SEP to address all grievances related to the Project.</p>

Topic	EBRD performance requirements	Requirements according to national legislation	Identified gaps	Corrective measures
		each stage of the expropriation process, with defined deadlines for submission of these grievances. Legal remedies are available at every stage of the process.	the right to appeal at different stages of the expropriation procedure, but it does not mandate the establishment of a dedicated non-institutional mechanism for resolving grievances.	
Monitoring and evaluation	PR1 and PR5 require a comprehensive monitoring and evaluation program covering all environmental and social aspects of the project, including potential impacts identified during land acquisition.	In the expropriation law, there is no requirement for monitoring of the process or verifying the effectiveness of adopted measures.	Although the legal framework does not foresee requirements for monitoring and evaluation, these measures have already been introduced through the project financing process.	Completion Audit for land acquisition is expected to be conducted following the completion of the expropriation process
Avoidance or minimization of displacement	The PR5 mandates that during planning and design, efforts should be made to avoid or minimize acquisition of land and property, especially those privately owned, and to especially avoid physical displacement. This includes assessing alternative project locations and modifying project solutions.	In the Expropriation Law, there is no explicit requirement to avoid or minimize displacement. Other laws require that planning documentation (spatial plans, regulatory plans) and projects (feasibility studies) must take into account social impacts, including physical displacement. Displacement is often avoided in practice to reduce the costs of expropriation and construction.	There are no specific gaps noted in requirements related to this Project. Physical displacement has been largely avoided by choosing land without residential structures for the project location. The risk of economic displacement is relatively high but expected given the location of the Project in the rural agricultural area.	No further action needed.
Compensations and benefits for displaced persons	The PR5 requires compensation for land, property, and losses related to the renewal of livelihood assets to be determined according to replacement value. The emphasis is on the need to restore household and community	The Law on Expropriation defines fair market value based on data from recent registered sales, according to information from the tax authority and expert assessments. National legislation, besides fair market value, does not define compensation for moving costs, transitional support, or compensation for loss	Due to some discrepancies in the methodology for defining compensation between national legislation and EBRD requirements standards, it is necessary to develop a clear methodology that will be applied to the Project, in order	Proposed measures for bridging the gap between market value and replacement value for land are included in the Corrective Action Plan below

Topic	EBRD performance requirements	Requirements according to national legislation	Identified gaps	Corrective measures
	livelihoods to the level before the onset of displacement.	of income due to displacement (formal and informal).	to avoid neglecting certain factors and to enable the same principle for all owners.	
Planning the resettlement process and livelihood restoration	PR5 requires the development of a Resettlement Action Plan (RAP) for all cases of physical and economic displacement, regardless of the number of affected people	The legislation of Serbia does not prescribe mandatory development of a RAP, regardless of the extent of the expropriation process. The only exception is for specific categories of individuals as defined by the Housing Law. In the case of relocation of these individuals, the mentioned law prescribes the mandatory issuance of a Decision on the necessity of relocation with a relocation plan.	This gap has already been identified. The land acquisition process is well underway and being conducted in line with the national legislation. This Historic land acquisition Audit and the associated Corrective Action Plan are being developed to mitigate the gaps	No further action is required.
Physical displacement	PR5 requires compensation at full replacement cost for lost land and other property, including intangible losses.	<p>Expropriation is carried out in a universal manner defined by law. The market value of the residential property is taken into account, but not the support for re-establishing residential space (there is no fast administrative procedure for permits, licenses, or utility connections). There is no compensation for relocation costs, material and immaterial losses caused by relocation, or transitional support, which can lead to unfair compensation or endangerment of livelihoods.</p> <p>Article 51 of the Expropriation Law provides for the possibility of paying compensation that is higher than the market value, taking into account the material and other personal and family circumstances of the previous owner, if these circumstances are of significant importance for their existence (number of household members, number of household members capable of earning a living or employed, health condition of household members, monthly household income, etc.). This article enables the definition of additional assistance to socially vulnerable families who</p>	<p>There are small differences in the process of defining compensation, particularly in the context of providing additional assistance to households during the resettlement process.</p> <p>Based on preliminary analysis, there is only one residential structure potentially impacted by the project, which is not the primary residence for the owners so no physical displacement is expected for the project. Similarly no economic displacement is expected apart from the land based livelihoods (agricultural production)</p>	The Corrective Action Plan below has defined compensation and other measures of additional assistance for the household whose residential property could potentially be impacted, including the time frames in the process of physical relocation, and consultations with the owners at all stages of the process.

Topic	EBRD performance requirements	Requirements according to national legislation	Identified gaps	Corrective measures
		<p>are owners of residential properties, but not to informal owners/users of properties.</p> <p>Recent amendments to the Planning and Construction Law provide for compensation rights for informal residential structures. In the event that the structure existed at the time of adoption of the planning document, the owner of the structure is entitled to the market value of the structure. Other forms of assistance or compensation (relocation costs, transitional allowance, additional assistance due to social status, etc.) are not provided for by the law.</p> <p>The compensation for informal business premises, beyond the compensation based on their construction value prescribed by the law on special procedures (under specific conditions), is not defined.</p>		
Loss of livelihoods	<p>PR5 requires recognition and resolution of all forms of economic displacements, directly or indirectly caused by the implementation of the Project. This implies permanent or temporary loss of access to land or other resources or assets on which income is dependent.</p> <p>In addition to compensation for the loss of land or facilities that are a primary source of income, PR5 also defines transitional allowance to cover the time needed to reestablish the lost source of income.</p>	<p>The Expropriation Law provides compensation for loss of income, upon submission of a claim, in the case of the loss of agricultural land cultivation of which is the primary source of income for the previous owner. Compensation takes the form of providing substitute property of the same type and class or corresponding value in the same place or nearby area (Article 15). According to the same article, the former owner whose property was used for livestock breeding or for storage or processing of agricultural products is expropriated, and whose income from these activities is a primary source of income, has the right to compensation for another property where they can continue to carry out their activities.</p>	<p>In the national legal framework, there often lacks a clear definition of economic displacement, and it may not fully recognize all forms, especially those not directly related to physical land acquisition.</p> <p>While the law recognises that alternative land should be provided to the owner whose primary source of income was agricultural production on the expropriated land, in practice the Ministry of Agriculture rarely provides offers of suitable land in the vicinity. Additionally the article 15 is intended for</p>	<p>The Corrective Action Plan below offers some measures for livelihood restoration, through support in improved agricultural production on other already owned land (support with investments and training) or through reskilling of the affected PAPs (including engagement on the Project during construction phase activities)</p>

Topic	EBRD performance requirements	Requirements according to national legislation	Identified gaps	Corrective measures
		<p>The Beneficiary of Expropriation would engage the Ministry of Agriculture to identify suitable publicly owned land to be offered to the previous owner as compensation.</p> <p>According to Article 16 of the expropriation law, the expropriation beneficiary is obliged, upon request, to provide the previous owner of the business premises, ownership or co-ownership of another business premises at the same location or in the vicinity that structurally and in terms of surface area meets the requirements for conducting the activities that the previous owner had before expropriation.</p>	<p>larger agricultural producers, who have registered agricultural production. It does not recognise producers who produce for subsistence only.</p> <p>National legislation does not recognize transitional allowance for the loss of livelihood.</p>	
Possession of acquired land and related assets	PR 5 notes that the project developers will take possession of acquired land and related assets only after compensation has been made available and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons in addition to compensation.	<p>The Expropriation law defines the process for the expropriation of land required for developments that are considered of public interest. Under the Law, expropriation must be completed and all project affected persons compensated in comparable land or in monetary terms, before the Building Permit (or Construction License) is issued to the contractor to mobilise and start the civil works.</p> <p>In the event that a project affected person (s) disagrees with the offered compensation in either form, they can resort to the judicial process, which can take a long time to resolve (due to limited court capacity). To ensure that this process does not delay the implementation of the project the Law also includes provisions that ensure the Beneficiary of Expropriation gets permission to access to the disputed plots. This is described under Article 35 of the Expropriation law which stipulates that the Beneficiary of Expropriation can request the</p>	<p>There are provisions in the national legislation that allow the government to take possession of the land even if the PAPs have not received compensation. However the provisions outlined under article 35 are a mechanism that is utilised on an exceptional basis, and the beneficiary of expropriation needs to provide justification for initiating this mechanism.</p>	<p>Considering the nature of the project it is unlikely that the Project will require access to site before compensation has been paid out.</p> <p>The access to site will be required for the land parcels required for the dam construction first. There are currently 5 court cases active within the court procedure, all disputing the offered compensation. These are expected to be resolved by the end of the year, i.e. before the start of any construction activities on site.</p> <p>Other court cases and the land parcels that are still within the expropriation process are all associated to the reservoir and will not be impacted until the completion of construction activities on the dam, allowing</p>

Topic	EBRD performance requirements	Requirements according to national legislation	Identified gaps	Corrective measures
		<p>Ministry of Finance, on an exceptional basis to issue permission to take possession of land without the paid compensation.</p> <p>There is no specific timeframe from when the compensation offer is provided to the PAP to when the Declaration by the Ministry of Finance based on article 35 is issued, but in practice this is typically used as a last resort for the public developers.</p> <p>Even then, article 16 of the Expropriation Law states that temporary replacement accommodation has to be provided to the previous owner, until a permanent solution is agreed, and compensation provided.</p> <p>Forced evictions are not allowed under national legislation, without a substantial prior justification and consultation process. Forced evictions of socially or economically vulnerable persons is only allowed if alternative social housing has been provided.</p>		sufficient time to finalise the expropriation process and complete any court procedures.

4. Overview of the land acquisition process to date

Public Interest

The Law on Expropriation requires the Beneficiary of Expropriation to justify the need for expropriation and to demonstrate that the scheme cannot occur without the proposed expropriation. The declaration of public interest is a special procedure, which precedes and enables any property acquisition and expropriation. When the scheme is declared to be “of public interest,” a concrete expropriation proposal by the Beneficiary of Expropriation is prepared and then submitted.

The expropriation study (dated Feb 2020) was developed for Phase 1 of the Project – dam and water accumulation area. It describes the approach used to determine the line of expropriation, based on the dam design and scope of the accumulation, including safety zones. The study was developed in line with national legislation and outlined the compensation methodology used across the project. The updated study (dated Apr 2022) simply provided corrections to the affected land parcels, noting the required split of land parcels so that only the required areas of land could be expropriated (and not entire parcels). The updated study included no additional information on the entitlements or the consultation process.

The Government of the Republic of Serbia adopted the Decision on determining the public interest for the Pambukovica dam project on 12 May 2021, based on the original Expropriation study. Following the update of the Expropriation study which included the splitting of the land parcels, the amended Decision of determining the public interest was adopted on 18 August 2022. In accordance with the Serbian legislation, the Declaration of public interest for the Project formally constitutes the cut-off date for expropriation. Any changes in property ownership after this date are not considered during the expropriation procedure. The expropriation procedure does allow amendments to the cadastre information after this date, only in cases where previous transfers of ownership have not been appropriately registered in the cadastre. For the assets on land (crops and structures) the date when the Asset survey is conducted for the land parcel is considered the cut-off date for crops and structures.

Notification and Decision of Expropriation

The expropriation process is triggered when an authorized entity (referred to as the Beneficiary of Expropriation) submits a proposal for expropriation following the declaration of public interest. The owners of the property are notified of the proposal for expropriation. This notification refers to the Declaration of Public Interest, identifies the land parcel in their ownership that is included in the expropriation process and outlines the formal steps in the procedure, as well as the legal framework.

The preparation for the expropriation process began in 2020 in Municipality Ub, and in 2022 in Valjevo. The local property and ownership departments within the two Municipalities have gone through the administrative process of identifying the proper owners of the land parcels. This tends to be a significant portion of the expropriation process as ownership transfers are typically not formally conducted, and the Municipality has to determine living lawful heirs/owners in order to continue the formal expropriation process with them.

A concrete expropriation proposal is prepared for each property owner that contains the amount of land involved, the outline for the determination of the assessment of fair value for any immovable property (with reference to the applicable legal framework), the justification of the need for the specific expropriation, together with the confirmation that the scheme is included in the relevant regional and/or spatial plan. The proposal is prepared by referring to the Cadastre Register, which provides details on the title holder, the immovable property, the type of land, and the area of the affected land.

According to the law, the property owner has just five days to decide on the proposal for expropriation. Once the owner responds, the competent authority must promptly make a Decision on the Expropriation within fifteen days at the latest.

The property owner can challenge the expropriation decision to the Ministry of Finance. They can argue that the expropriation is not in the public interest or that the process was not conducted according to legal requirements.

As of March 2025, almost 90% of all decisions on expropriation have been issued in Municipality Ub, and almost 65% in the City of Valjevo. The outstanding decisions of expropriation in Municipality Ub are all due to the inability to identify the rightful owners. The owners listed in the cadastre might be deceased with no heirs identified, or their registered addresses might have changed, limiting the Municipality's ability to contact them directly. In cases like this, a legal representative is appointed, who signs the Decision of Expropriation, to allow transfer of ownership and access to property, however the expropriation process in these cases does not move on to the compensation offer stage until the rightful owners come forward or are otherwise identified.

Compensation

After the decision on expropriation is signed and the valuation of assets is conducted (for crops and structures, if applicable), the owners receive proposal for compensation. Determination of compensation is explained in Chapter 4.1 below. If the proposal is accepted, the payment of compensation is made within 30 days of acceptance. If the owners are not satisfied with the proposal, the formal process does not recognise negotiated prices, instead, the rejected proposal automatically triggers an out-of-court process, which can last for several months or years. In this case, the value of the compensation is determined by the court.

Since October 2024, Municipality Ub has started issuing the compensation offers. Compensation offers have been mostly accepted by the owners, and compensation has been paid for over 60% of land plots. Less than 5% of owners refused the proposed compensation and are awaiting court decisions, while the rest are still awaiting proposals. No compensation proposals had been initiated in Valjevo as of March 2025.

Unviable land

Article 10 of the Law on Expropriation establishes the right to compensation for unviable land. Requests for the acquisition of the unviable land can be made at any time from the start of the expropriation process until two years after the issuance of the operational permit (usage permit – Uputebna dozvola). The requests for unviable land can be based on various factors, including the size of the land parcel, its shape and topography, availability of access to remaining land, etc.

In accordance with the Article 30 of the Law on Expropriation, during individual hearings with the representatives of the Beneficiary of Expropriation, all affected individuals should be given the opportunity to submit such requests. The requests for expropriation of unviable land parcels can be made multiple times throughout the defined timeline, because viability of the remaining land parcel can change during different stages of construction or operation. Determination on the viability of the land parcel is made by an accredited agricultural expert.

4.1 Overview of the Approach

Land acquisition is currently taking place in line with the national legislation. An overview of the compensation methodologies, as prescribed by the legislation, is presented below.

Compensation in kind is a method of compensation envisaged by the Serbian national legislation. This form of compensation is to be offered for all affected properties, if requested by PAPs to replace their property. However, the beneficiaries of expropriation rarely identify sufficient replacement land at the start of the project to offer as compensation in kind.

According to the legislation of the Republic of Serbia, the **land price** is determined by the tax authority. The municipal tax administration provides market value estimates for land subject to expropriation. These estimates are based on the prices recorded in private ownership transactions within the municipality or the area closest to the expropriated parcels. Table below includes an overview of the prices for land defined in the expropriation study (based on market data in 2020), as defined by the recent estimates from the tax

authority (based on market value in 2025), as well as some recent land sale listings from the area. The price of land varies significantly due to the location, shape and type of land. The sale listings also didn't identify many opportunities indicating a potential deficit of available land in the project area.

Banded unit prices for land have been adopted for the Project, based on the highest class of land within the category, primarily as land classification in the cadastre is not always accurate. By adopting the highest banded rate the risk of misclassification has been reduced. This approach, in effect, provided a favourable compensation arrangement to most PAPs. However, despite this, the dissatisfaction with compensation rates remains high. This is largely attributable to cultural and emotional attachment to land, rather than objective undervaluation. In community consultations and surveys, PAPs frequently noted that land is not something they would voluntarily sell (even if unused) and therefore believe that compensation should exceed market value, especially given the compulsory nature of the expropriation.

It should also be noted that the tax authority estimates refer to the market value of the property, but do not specify whether taxes associated with the ownership transfer are included in the proposed price. In cases of expropriation, the Beneficiary of Expropriation is responsible for covering all applicable taxes and administrative costs. However, if the previous owner chooses to purchase replacement land, the replacement value for the land will include both the market price for the property chosen + tax for transfer of ownership, which is set at 2.5% of the value of the property for agricultural land. As a result difference may arise between the market value and full replacement value of land.

The total compensation for land is determined based on the adopted unit price and the area of the land parcel. Given that most of the land parcels are relatively small, the difference caused by the exclusion of ownership transfer tax from compensation varies from several dozen to a few hundred EUR (the highest amount identified in the census data is under 1,300 EUR).

Table 2 - Market price for land in Municipalities Ub and Valjevo

	Agricultural land (including forestry land) [din/m²]	Construction land [din/m²]
Expropriation Study	118	354
Tax authority for Municipality Ub	200	n/a ³
Tax authority for Municipality Valjevo	150	195
Sale listings	Provide a wide range of unit prices for land. Summary of offered listing at the moment included in table 3 below	No recent listings found

At the time of this report preparation, a popular listing website offers a total of 11 properties in the Ub area (excluding the 5 listings located in the central area of Ub), and two listings in Valjevo area in relative proximity to the Project location. Table below includes the summary of listings, while a more detailed presentation of the listing is included in Appendix D.

³ There is no expropriation of privately owned construction land within Ub Municipality. All construction land impacted by the Project within the Ub Municipality is publicly owned

Table 3 - Current listings for land in affected municipalities

No.	Area (ar)	Price (Eur)	Unit price Eur/m2	Unit price RSD/m2	Location	Description (as listed)
1	221	9000	0.41	47.7	Ub / Kršna glava	Agricultural land with 6300 m ² of forest
2	450	27500	0.61	71.6	Ub - Gvozdrenović	Agricultural land with 9100 m ² of forest
3	160	8000	0.50	58.6	Ub - Vrhovine	Agricultural land with 6000 m ² of forest
4	38	23500	6.18	724.6	Ub - Zvizdar	Land with a 30m ² structure, with water and electricity, 4km from Ub center
5	30	18000	6	703	Ub - Murgaš	Orchard, 500m ² to the Ub-Valjevo road, electricity, water well
6	60	4300	0.72	84	Ub - Ruklada	Agricultural land, close to the gas station and the highway
7	85	51000	6	703	Ub - Stublenica	Construction land
8	220	45000	2.05	240	Ub - Stublenica	Agricultural land, 2500 m ² of forest, close to the highway
9	1000	350000	3.5	410	Ub - Stublenica	15-year-old orchard, mechanisation included
10	385	170000	4.42	517	Ub - Stublenica	20-year-old orchard, irrigation system in place, artesian well, electricity, close to the highway
11	210	25000	1.19	139.5	Ub - Banjani	Agricultural land, on the Ub-Šabac road
12	560	290000	5.18	607	Valjevo - Blizonje	Agricultural land, with a new residential building, summer terrace, 4ha of orchard, 1.6ha of forest
13	166	8000	0.48	56.5	Valjev0 - Miličinica	8 separate land plots, young forest trees

Compensation for affected **structures** is determined through individual valuations by certified valuation experts engaged by the Beneficiary of Expropriation. These experts assess the market value of the properties, ensuring the compensation amount is sufficient to rebuild the same structure in the same area. The assessment takes into consideration the areas and volumetry of the buildings, types of materials used, required labour costs and the quality of executed works. The valuation also considers the age of the property, and a depreciation rate is typically applied in the final assessment. In case of physical relocation, the national legislation does not take into consideration the moving costs and transitional allowance, as part of the compensation packages. This is therefore considered a gap between the market value and replacement value for physical displacement.

Similarly for **crops**, valuations are made by certified agriculture or horticulture expert. This valuation considers the type of crops, as well as the cultivated area (for annual crops), confirms the number and age of

perennial plants and determines the value of the crops based on the current market. Time required to regrow the perennial plant to the original size is also considered in the valuation, particularly for fruit bearing or nut trees. In case of **forests** the compensation includes separately the compensation for the land (typically classified as agricultural) and for the wood mass (valuation by forestry expert based on the area of the forest, type of trees and the estimated age).

4.2 Findings from the survey of affected households

Considering that the initial survey included only 34 households whose property is being expropriated for the Project, the size of the sample is considered too small to generalize findings across the project area. Therefore, this section of the report offers insight into the surveyed respondents only and is considered preliminary. Where possible, the data available through secondary sources (such as census data) were also reviewed to correlate and help explain the similarities and differences. Preliminary data provided further in this section will be reviewed during the disclosure period to incorporate data collected through additional surveys, as well as verified data on impacts and PAPs.

The majority of the initial survey respondents were from the Municipality of Ub, since it is the most impacted, and the expropriation process is more advanced. The survey focused on capturing the socio-economic status of the households, their reliance on agriculture, and ability to diversify their livelihoods. The second part of the survey focused on the process of expropriation, aimed at assessing the effectiveness of the consultation process and the compensation offered.

Overall, the survey confirmed the statistical data regarding the socio-economic profile of the affected communities, with an aging population and traditional reliance on agriculture, based on mostly small-scale production of annual crops (wheat, corn, etc.) and orchards. The relative proximity of larger urban centres and job opportunities have resulted in most of the younger population moving away over the past several decades.

Community infrastructure faces significant challenges, especially regarding road conditions and water access, with a large portion still relying on well water and lacking municipal sewage connections. There are some concerns among the community regarding the impacts from the dam and the reservoir on groundwater levels, as well as damage to local road infrastructure from heavy truck traffic during construction.

The Project itself was expected by the locals, as plans to build the dam have been discussed over the past few decades. There is, however, a sense of distrust, as there was very limited opportunity for the local community to be engaged in the planning and designing process. Communication about the project was often informal, taking place through word of mouth among neighbours or via media sources.

The public consultations held with regards to the expropriation in the Municipality of Ub, were effective for the participants, however low participation resulted from inconvenient scheduling and locations.

A more detailed breakdown of the survey findings is presented further in this section. It shall be noted that the information included in survey database was fully available for 29 of 34 surveyed respondents and was used further in this section to provide gender-disaggregated data.

4.2.1 Demographics

Gender: Out of 29 respondents, 22 were men (75.86%) and 7 were women (24.14%). Out of the 22 interviewed men, 21 were the owners of affected land plots, and only 1 respondent was the father of the owner of the affected property. Out of the 7 interviewed women, 3 were the owners of the affected property, and 4 were members of affected households (in two cases being the daughter, in one case the mother, and in one case the wife of the affected land owner). Details are provided in Table 4 below.

Table 4 - The number of respondents by type and gender I

Type of respondent	Total respondents, number	Male respondents, number	Male respondents, %	Female respondents, number	Female respondents, %

Property owners	24	21	87.50	3	12.50
Household members	5	1	20.00	4	80.00
Total	29	22	75.86	7	24.14

It is the case, almost without exception that men are the heads of their respective households, which is in line with the patriarchal societal norms of Serbia.

Average Age: The data from the survey clearly indicates that the PAPs surveyed are predominantly within the elderly age group, which correlates with the census data. The largest group of respondents (for both men and women), aged 56-65, accounts for 48.28% of the participants, suggesting a community with a significant population of middle-aged to older residents. With 27.59% of respondents aged 66-75 (second largest group for both men and women), it is evident that these settlements have a substantial senior population. These older individuals are unlikely to be significantly engaged in the project or to be in any way interested in contributing to it. Details are presented in Table 5.

The 46-55 age group represents 20.69% of the sample and includes only male respondents, highlighting an active, albeit smaller, middle-aged demographic present in these areas. This demographic group, although small in comparison to the others, might prove more willing to engage and may also prove to be a potential local source of labour power which could be employed for the project.

The smallest group of respondents is represented by the 26-35 age group and includes only male respondents. No respondents below 25 and above 76 years old participated in the initial survey, which is considered as a gap. This may reflect a lack of young adults in these settlements, likely due to migration for education or employment opportunities elsewhere, which is a common trend in many rural regions.

Table 5 - Age group of respondents by gender

Age	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
25 and under	0	0	0	0	0	0
26 to 35	1	3.44	1	4.55	0	0
36 to 45	0	0	0	0	0	0
46 to 55	6	20.69	6	27.27	0	0
56 to 65	14	48.28	10	45.46	4	57.14
66 to 75	8	27.59	5	22.72	3	42.86
76 and above	0	0	0	0	0	0
Total	29	100	22	100	7	100

Household Size: Two-member households dominate the sample (for both men and women), comprising 37.93%, indicating a prevalent trend towards smaller family units. This, in combination with the fact that we are dealing with a rapidly aging population, indicates that most of these households are rather vulnerable to any economic disruption that might result from the Project.

The second largest group is represented by households with more than five members. Such households account for 24.14% of the sample, indicating that extended families still play a role in these settlements, although they are less common. This may point to cultural practices or economic necessities that keep larger family units together, providing mutual support in the face of economic needs.

Following that, four-member households make up 20.69% of the sample. This demonstrates that while smaller households are common, there remains a notable proportion of slightly larger family units in these communities. Usually, these are multigeneration households, typically consisting of parents and one child that is married or two children.

Meanwhile, three-member households are at 10.34%, which indicates a smaller portion of families that may consist of parents and one child, reinforcing the trend toward fewer dependents per household.

Lastly, single-member households constitute 6.90% of the sample. This figure reflects a growing trend of individuals living alone, which can be attributed to various factors, including increased mobility, urbanization, and rapid aging of the rural population. Details are presented in Table 6.

Table 6 - Size of the household

Number of household members	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
1	2	6.90	1	4.54	1	14.29
2	11	37.93	7	31.82	4	57.14
3	3	10.34	3	13.64	0	0
4	6	20.69	5	22.73	1	14.29
5 and more	7	24.14	6	27.27	1	14.28
Total	29	100	22	100	7	100

Average Number of Minor Children per Household: Of the interviewed households, 65.52% have no minors in them, 13.80% are single-minor households, while households with two minors constitute 10.34%, and those with three minors account for 6.90%. Households with four minors account for 2.94% of the sample (see Table 7). None of the interviewed households had five or more minors. This is all fairly in line with the previous demographic conclusions drawn from the data about the average age and household size.

Table 7 - Average number of children per household

Number of minor children in household	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
No minors	19	65.52	14	63.64	5	71.42
1	4	13.80	3	13.64	1	14.29
2	3	10.34	2	9.09	1	14.29
3	2	6.90	2	9.09	0	0
4	1	3.44	1	4.54	0	0
5 and more	0	0	0	0	0	0
Total	29	100	22	100	7	100

Average Number of Employed Persons per Household: A substantial number of respondents amounting to 68.97% reported that their household members have no permanent employment and depend exclusively on agricultural activities. This reliance highlights the economic vulnerability of these households, which may

face challenges such as market fluctuations, climate conditions, and limited access to alternative income sources.

Meanwhile, households with 1, 2, and 3 members with secure, permanent employment account to 10.34% of the sample each. This indicates that stable employment opportunities are scarce within the community, limiting the economic resilience of families and their capacity to invest in improvements or adapt to changes. Details are presented in Table 8.

With respect to households having a single member with permanent employment. This reinforces the trend of limited workforce participation and emphasizes the role of individual employment within families where agriculture may not be sufficient to meet all household needs.

As for households with two or three members with permanent jobs, it can be suggested that while some families may achieve more financial stability through multiple earners, they still comprise a minor portion of the overall sample. The presence of multiple earners in these households may provide a buffer against economic hardships but highlights the need for more comprehensive job creation strategies in the broader community.

It is also noted that even the households which do have members who are employed on a permanent basis often stress that they rely on agricultural activities as a supplementary source of income. A few of the households invest the salaries from their regular employment back into agriculture, making agriculture their primary source of income despite being employed on a permanent basis.

Table 8 - Average number of employed household members

Number of employed household members	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
No employed members	20	68.97	15	68.18	5	71.42
1	3	10.34	3	9.09	1	14.29
2	3	10.34	2	9.09	1	14.29
3	3	10.35	2	13.64	0	0
4 and more	0	0	0	0	0	0
Total	29	100	22	100	7	100

Education Level: None of the surveyed persons reported having no formal education. A total of 48.28% of the respondents have completed their education at the elementary school level. This group underscores a critical area for intervention, as limited education can severely limit access to employment opportunities and resources. This group consists of elderly participants, who aged out of school before the primary education became mandatory.

Following this, 44.82% of respondents have completed vocational school education. This figure highlights a valuable segment of the population equipped with practical skills that can be applied in the workforce. Vocational training can serve as a critical pathway for employment, especially in sectors relevant to local economic activities, including agriculture and skilled trades.

The data shows that only 6.90% of respondents have completed high school (see Table 9). This low percentage suggests that many individuals do not pursue further academic studies, reflecting barriers to educational advancement or a focus on entering the workforce at an earlier age.

Table 9 - Education level of respondents

Education level	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
Elementary school	14	48.28	8	36.37	6	85.71
Secondary vocational school	13	44.82	13	59.09	0	0
High school	2	6.90	1	4.54	1	14.29
Total	29	100	22	100	7	100

4.2.2 Livelihoods and living standards

Employment Status: Most of the interviewed persons are self-employed small landowners, accounting for 51.72% of the sample (including most male respondents), followed by retirees – 34.48% of the sample (including most female respondents). A total of 6.90% of respondents are permanently employed, while those employed on a temporary basis and those informally employed account for 3.45% each (see Table 10).

Table 10 - Employment status of respondents

Employment status	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
Farming	15	51.72	13	59.09	2	28.57
Permanent employment	2	6.90	2	9.09	0	0
Temporary employment	1	3.45	1	4.55	0	0
Informal employment	1	3.45	1	4.55	0	0
Retired	10	34.48	5	22.72	5	71.43
Total	29	100	22	100	7	100

Employment Sector: Private agriculture accounts for 55.17% of employment by sector, again 34.48% are retirees, 6.90% are employed in the private sector and 3.45% in the public sector (see Table 11).

Table 11 - Employment sector of respondents

Employment Sector	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
Self-employed	16	55.17	14	63.64	2	14.29
Private sector	2	6.90	2	9.09	0	0
Public sector	1	3.45	1	4.55	0	0
Retired	10	34.48	5	22.72	5	85.71
Total	29	100	22	100	7	100

Household Income and Expenses (Estimates): A notable 31.03% of respondents (including mostly men) chose not to disclose their income, reflecting a cultural tendency in Serbia characterized by distrust towards state and non-state entities, which may affect transparency in economic reporting. Among those who did not share the income information, most rely on agriculture as their main source of income.

A total of 68.97% of respondents agreed to provide details on their monthly income. Among them, agriculture is mentioned as the predominant source of livelihood, with 60.00% identifying it as their primary income source. This indicates the community's strong reliance on agriculture, which is likely tied to the local economy and cultural practices. Additionally, 20.00% of respondents indicated that pensions were their main source of income, while 15% cited salaries. One person in this group mentioned that he relies on informal earnings. Notably, within the salary earners, half reported relying on agriculture as a necessary secondary income source, suggesting a dual-income strategy to ensure economic stability.

The distribution of monthly income among the 20 respondents (including 5 female respondents) who provided information shows a diverse range of economic circumstances. Most of the respondents (20.59%) reported monthly income in the range of 50,000 to 100,000 RSD (including most female respondents), followed by the range of 150,000 to 200,000 RSD, which accounted for 17.24%. A smaller group of respondents (13.80%) reported income in the range of 200,000 to 250,000 RSD. A total of 6.90% of respondents each earn less than 50,000 RSD (all female) or 150,000 to 200,000 RSD. The smallest group of respondents (3.44%) reported income exceeding 250,000 RSD (see Table 12).

It should be noted that in all cases where agriculture was cited as the main source of income and in most cases where it was cited as a supplementary source of income, reported incomes may vary significantly from year to year. Due to poor mechanisation and reliance on traditional agricultural know-how, as well as a severe lack of investment into other agricultural means of production, crop yields vary significantly, when crops are exposed to the increasingly unpredictable elements and other external stressors. Therefore, someone may earn 200,000 RSD in one year, attempt to expand their production by investing 300,000 RSD the next, only to lose it all because of a random drought, and lack of irrigation.

Table 12 - Household income

Income	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
Did not disclose	9	31.03	7	31.82	2	28.57
Less than 50,000 RSD	2	6.90	0	0	2	28.57
50,000 - 100,000 RSD	6	20.69	3	13.64	3	42.86
100,000 - 150,000 RSD	2	6.90	2	9.09	0	0
150,000 - 200,000 RSD	5	17.24	5	22.73	0	0
200,000 - 250,000 RSD	4	13.80	4	18.18	0	0
More than 250,000 RSD	1	3.44	1	4.54	0	0
Total	29	100	22	100	7	100

The monthly income per household member was calculated for the respondents who provided information on both monthly income and the number of household members (in cases where a range of income was given, the midpoint of the range was used for calculation purposes). Publicly available data on Poverty and Social Inequality for 2024 (when the survey was carried out) establishes the monthly threshold incomes for different family sizes. The at-risk-of-poverty threshold is RSD 35,606 per month for a single-person household; RSD 64,091 for a household with two adults and one child; and RSD 74,773 for a four-member household with two adults and two children. Among the interviewed households, only one respondent reported income below the above-mentioned thresholds—a household of four members with a monthly

income below 50,000 RSD, amounting to up to 12,500 RSD per month per household member (female respondent).

None of the surveyed respondents mentioned that their households are recipients of social assistance. None of them have loans to repay.

With respect to expenses, the majority of surveyed households (70%, including mostly male respondents) reported that their main household expenses include household maintenance-related expenses, followed by agricultural investments (65%, including the majority of female respondents) and expenses for fuel (55%, also including the majority of female respondents).

Other expenses mentioned by a few respondents included utility bills, communication expenses (internet and phone), as well as costs for medical treatment and medicines. Two of the interviewed respondents (one female and one male) also mentioned children's education and the purchase of clothing.

Economic Situation Assessment (Self-Reported): According to the responses gathered, 75.86% of participants described their economic status as average, while 20.69% identified themselves as living below average, and a small fraction, 3.34% (a female respondent), reported living in material deprivation (see Table 13).

Personal observations from the survey team suggest that people who claim average economic status may actually be experiencing below-average conditions. The apparent discrepancy indicates a potential underreporting of economic hardship, meaning that the majority of the respondents might face more significant economic challenges than they report. In the meantime, it should be noted that the 4-member household with a monthly income below 50,000 RSD (below the poverty line, as discussed above) considers its economic situation to be average

Table 13 - Self-assessment of Household Economic Situation

Economic Situation Assessment	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
Average	22	75.86	19	86.36	3	42.86
Below average	6	20.69	3	13.64	3	42.86
Material deprivation	1	3.45	0	0	1	14.28
Total	29	100	22	100	7	100

Change in Economic Situation (Past Four Years): A majority, 65.52%, reported no change in their economic status during this period, while 34.48% did notice changes (see Table 14).

Table 14 - Changes in Economic Situation (within last 4 years)

Change in Economic Situation	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
Reported changes	10	34.48	7	31.82	3	42.86
Did not report changes	19	65.52	15	68.18	4	57.14

Change in Economic Situation	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
Total	29	100	22	100	7	100

Factors Influencing Economic Situation Change: An increase in fuel prices and utility bills was noted by 15%, reflecting the burden of transportation and energy costs. A total of 10% of the respondents cited Project-related impacts (such as loss of income) among other reasons contributing to their economic decline.

It should be noted that among those who reported experiencing changes, 25% indicated that their economic situation had deteriorated.

Among the key factors contributing to the deterioration of economic conditions, inflation was most frequently cited by respondents, highlighting the impact of rising costs on household budgets. According to the World Bank, the actual inflation rate for 2024 was 4.6%. The inflation rate in Serbia has been decreasing throughout 2024, with December 2024 (when interviews were carried out) showing a rate of 4.3%.

Daily Transportation Vehicles: Most of the respondents (82.75, including the majority of female respondents) reported having vehicles to meet their daily transportation needs, which indicates a strong reliance on personal mobility for work, access to markets, and other essential activities.

A bit more than half of these vehicles (51.72%) are over 20 years old. A total of 20.69% of the vehicles are in the 15-20 years category, and 10.35% fall within the 10 to 15 years range. No vehicle under 10 years was reported. Details are provided in Table 15. This indicates potentially less reliable transportation options with higher maintenance costs.

On the other hand, the 17.24% of respondents are without vehicles and face significant challenges in terms of mobility, which could affect their access to employment opportunities, healthcare, and other essential services. Even access to local shops is quite limited due to the fact that the villages are in fact clusters of scattered hamlets, with dirt or semi paved roads connecting them to each other and the village “centre”.

Table 15 - Daily Transportation Vehicle Ownership

Presence of vehicle for daily transportation and its age	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
No vehicle	5	17.24	4	18.18	1	14.29
Under 10 years old vehicle	0	0	0	0	0	0
10-15 years old vehicle	3	10.35	3	13.64	0	0
15-20 years old vehicle	6	20.69	6	27.27	0	0
20 and more years old vehicle	15	51.72	9	40.91	6	85.71
Total	29	100	22	100	7	100

Agricultural Vehicle/Equipment: Every interviewed household owns a tractor however, the fact that all tractors are over 20 years old, and most are in poor condition severely hampers agricultural productivity. This outdated equipment limits operational efficiency and increases costs, directly impacting the economic stability of the households reliant on farming. Most of the tractors (79.31) are equipped with a plough. The available equipment further underscores the poor state of the agricultural means of production that the PAPs possess. Among the tractors, 65.52% are equipped with seeders for planting, and 55.17% have disc harrows

for soil preparation. While this diversity of tools supports essential farming tasks, reliance on aging machinery poses significant barriers to effective agricultural practices. Additionally, 6.90% have balers, 17.24% possess sprinklers for irrigation, 34.48% own tillers, and 27.59% have mowers or brush cutters, showing an investment in agricultural operations, albeit with the limitations imposed by their condition. Importantly, 41.38% of households own combines, which are crucial for harvesting larger fields efficiently. Details are provided in Table 16.

In summary, while the community demonstrates a solid agricultural foundation through tractor ownership and various implements, the old age and poor condition of this equipment present serious challenges.

Table 16 - Agricultural Vehicle/Equipment Ownership

Presence of vehicle for daily transportation and its age	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
Own a tractor	29	100.00	22	100.00	7	100.00
Equipped with plough	23	79.31	17	77.27	6	86.71
Equipped with seeder	19	65.52	16	72.73	3	42.86
Equipped with disc harrow	16	55.17	11	50.00	5	71.43
Have balers	2	6.90	2	0.09	0	0
Have sprinklers	5	17.24	5	22.73	0	0
Have tillers	10	34.48	7	31.82	3	42.86
Have mowers/brush cutters	8	27.59	7	31.82	1	14.29
Households with combines	12	41.38	11	50.00	1	14.29

Agricultural practices and Irrigation System:

The agricultural production in the area is mostly small-scale production using predominantly traditional methods of agricultural production. When asked about the methods they used and the sources of knowledge regarding agriculture, 44.83% of respondents noted that they gained the knowledge from their parents or continue to do so (this includes 45.45% of male and 42.86 of female respondents). 48.27% of respondents indicated that they acquired knowledge from both their parents and other small landholders, suggesting a strong sense of community and collaboration among local farmers (this includes 50.00% of male and 42.86 of female respondents). This peer-to-peer learning plays a vital role in sharing practical, localized agricultural techniques and solutions.

Only a small percentage, 6.90% of interviewed PAPs indicated social media, digital media or print media as sources for expanding their knowledge (this includes 4.55% of male and 14.28% of female respondents).

The overwhelming majority of the interviewed PAPs, 82.75% of them, stated that they were not aware of any irrigation aspects of the Project (including 81.82% of male and 85.71% of female respondents), while 17.24% said that they had heard something along those lines, but were not sure what the Project entailed when it comes to irrigation (including 18.18% of male and 14.29% of female respondents). However, most of them (72.41%) recognised the potential benefit of being connected to the irrigation network, stating that they would be interested to connect (this includes 90.91% of male and 85.71% of female respondents).

The analysis of current irrigation sources among PAPs reveals significant reliance on traditional water extraction methods:

- A substantial 72.42% of respondents indicated that they currently use wells as their primary source of water for irrigation (this includes 72.72% of male and 71.42% of female respondents). This reliance on groundwater underscores the importance of well systems in supporting local agricultural practices. One of the causes for concern for the local communities is the impact the Project could have on the stability of ground water levels.
- 10.34% noted that they utilize local bodies of water for irrigation (this includes 13.64% of male respondents).
- 6.90% mentioned transporting water from a separate location using cisterns or other means, which indicates additional logistical challenges and costs associated with accessing irrigation water (this includes 4.55% of male and 14.29% of female respondents).
- Finally, 10.34% of respondents stated that they have no need for irrigation, potentially reflecting either a lack of cultivation requiring irrigation or specific agricultural practices that do not rely on water management (this includes 9.09% of male and 14.29% of female respondents).

The responses regarding concerns related to the irrigation system highlight the following (some respondents provided multiple answers):

- 55.17% of respondents expressed concern about the price of the utility connection point between their properties and the irrigation system (this includes 63.64% of male and 28.57% of female respondents). This indicates a prevalent worry regarding the potential financial burden of connecting to the irrigation infrastructure.
- 20.69% of respondents voiced concerns about the ongoing monthly costs associated with using the irrigation system (this includes 22.73% of male and 14.29% of female respondents). This suggests that, beyond initial connection fees, there is apprehension about the long-term affordability of maintaining access to the irrigation resources.
- A smaller portion of 3.45% noted concerns that the irrigation system might increase the price of land, reflecting anxiety that enhancements to irrigation could inadvertently affect land market dynamics negatively (this includes 4.55% of male respondents).
- Another 3.45% indicated worries about the health quality of the water used in the irrigation system, highlighting the importance of safe and reliable water sources for agricultural activities and food safety (this includes 4.55% of male respondents).
- 37.93% of respondents reported no concerns whatsoever regarding the irrigation system, which indicates that a notable segment of the community may view the system positively or remain indifferent to potential issues (this includes 27.27% of male and 71.43% of female respondents).

Need for Special Healthcare: Around a fifth of the households have members who need frequent or special healthcare needs (24.14%, self-reported). This includes households of 13.64% of male respondents and 42.86% of households of female respondents which suggests a higher incidence of special healthcare needs among households with female respondents. These needs include elderly household members, some with medical conditions, and one case involving disability.

Care for Non-Household Members: None of the respondents reported providing care for non-household members.

4.2.3 Expropriation and Compensation Impacts

Number of Expropriated Parcels: Most respondents (41.38%) reported about having only one parcel expropriated for the Project while the rest had multiple land parcels expropriated – 34.48% had two parcels expropriated, 17.24% had three parcels expropriated, 3.45% had four parcels expropriated, another 3.45% had five parcels expropriated (see Table 17). No respondents reported about having more than five parcels

expropriated. This strongly supports the data that the area is mostly inhabited by small landowners engaged in small scale agricultural production.

Table 17 - Agricultural Vehicle/Equipment Ownership

Number of expropriated parcels	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
1	12	41.38	9	40.91	3	42.85
2	10	34.48	9	40.91	1	14.29
3	5	17.24	3	13.64	2	28.57
4	1	3.45	1	4.54	0	0
5	1	3.45	0	0.00	1	14.29
Total	29	100.00	22	100.00	7	100.00

Additionally, the data indicates the traditional attachment to land, as 93.10% of interviewed respondents (including majority of female respondents) reported that the land had been in their ownership for over 50 years, while the remaining 6.90% had owned it for more than 20 years. These finding suggest a connection between households and their land, which may have played an important role in their way of life, including heritage, sense of identity, and livelihood for generations.

The fact that most respondents have held their land for a significant period reflects the potential impact of land acquisition. The loss of land with such a long history of ownership may affect agricultural activities, and, in some cases, also influence family routines and broader community ties.

Total and affected areas of parcels targeted for expropriation (in ar, 1ar=100m²): The distribution of land areas targeted for expropriation among the interviewed PAPs provides insight into the scale of the impact the Project may have on local agricultural production as well as the nature of the production itself. The data shows a diverse range of land holdings among the PAPs. It also shows that the majority of land parcels had been expropriated completely.

This varied range of land parcels reflects different levels of agricultural investment and dependence on farming within the community. The data indicates that a significant portion of the respondents, approximately 62.06% owned between 50 and 500 ar of land. A significant number of respondents (20.70%) owned between 10 and 50 ar of land. A limited number of respondents reported owning land plots with total area under 10 ar (6.90%), as well as plots with total area between 500 and 1000 ar (3.44%) and 1000 to 5000 ar (6.90%). The expropriation of any size parcel thus poses a direct threat to the agricultural abilities and financial security of respondents with small landholdings. (see Table 18 and Figure 9).

Table 18 - Total area of parcels of the respondents

Total area of expropriated parcels	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
under 10 ar	2	6.90	1	4.54	1	14.29

Total area of expropriated parcels	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
10-30 ar	3	10.35	3	13.64	0	0
30-50 ar	3	10.35	3	13.64	0	0
50-100 ar	9	31.03	6	27.27	3	42.84
100-500 ar	9	31.03	8	36.37	1	14.29
500-1000 ar	1	3.44	0	0.00	1	14.29
1000-5000 ar	2	6.90	1	0.00	1	14.29
Total	29	100.00	22	100.00	7	100.00

A significant portion, 82.76%, of interviewed PAPs faced the expropriation of 50 ar or more, indicating that the displacement affects many households that heavily rely on these larger parcels for their farming and livelihoods. The fact that nearly 40% of PAPs experienced the loss of over 100 ar highlights the substantial economic impact posed by the expropriation.

In terms of affected areas, 96.55% of respondents (all except one female respondent) provided details to the best of their knowledge. The data indicates that a significant portion of the PAPs (93.10%) will lose more than 10 ar of land. Only in one case (3.45%, male respondent), the expropriated area is less than 10 ar, as the total land plot size is also under 10 ar. In another case, the respondent (female) did not have information on the affected area. Details are provided in Table 19 and Figure 10.

Table 19 - Affected area of parcels of the respondents

Affected area of expropriated parcels	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
No information	1	3.45	0	0	1	14.29
under 10 ar	1	3.45	1	4.54	0	0
10-30 ar	4	13.79	3	13.64	1	14.29
30-50 ar	4	13.79	4	18.18	0	0
50-100 ar	10	34.48	7	31.82	3	42.84
100-500 ar	8	27.59	7	31.82	1	14.29
500-1000 ar	1	3.45	0	0.00	1	14.29
1000-5000 ar	0	0	0	0.00	0	0
Total	29	100.00	22	100.00	7	100.00

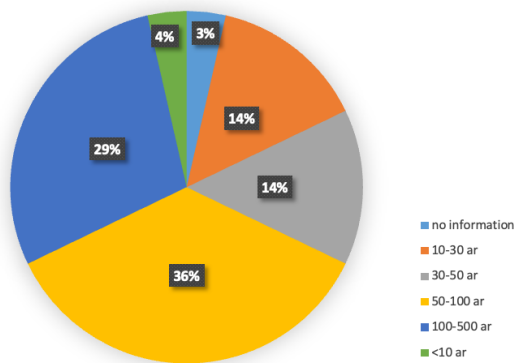


Figure 9 Total area of land parcels

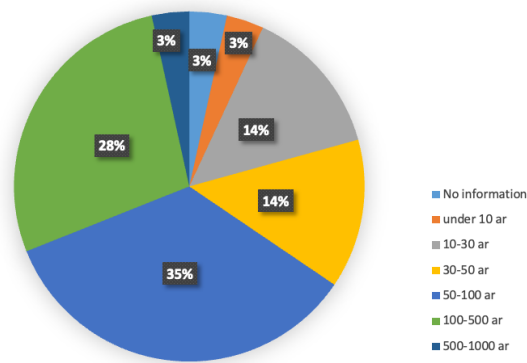


Figure 10 Affected area of land parcels

A total of 58.62% of respondents mentioned that they will have remaining land after expropriation (all of the respondents in this group confirmed that the remaining land is viable), while 41.38% mentioned that no land will remain once the plot is expropriated.

Land Use Before Expropriation: The analysis of the expropriated land reveals that a substantial 79.31% of the affected parcels were utilized as agricultural land. On the other hand, 17.24% of the expropriated land was classified as overgrown forest, some of these areas may have been previously utilized for cultivation or other activities but were subsequently left fallow, resulting in encroachment by vegetation. In one case (3.45%) the land parcel is used both for agricultural purposes and includes a forest part as well.

Additionally, we note that while significant portion of PAPs have additional land which remains in their ownership, it is usually of a lower quality and located on the hillsides, making it less accessible for agricultural infrastructure and a poor choice of investment in terms of cost/benefit ratios.

Offered Replacement Land: None of the interviewed PAPs reported being offered replacement land. Only 6.90% of the interviewed PAPs stated that they had asked for replacement land, while the remaining 93.10% did not, as they mentioned they were not aware about such option. While this may suggest a gap in communication regarding compensation options, it is also possible that the topic of replacement land was not of interest to the majority of PAPs and therefore was not explored further. In general, respondents expressed the opinion that suitable replacement land may not be available in the nearby area. At the time of the initial survey, none of the interviewed PAPs had received replacement land.

Ecosystem Services Affected: The assessment indicates no direct impacts to ecosystem services from the Project. Despite the lack of commercial reliance on these services, some respondents reported engaging in hunting as a recreational activity. According to very preliminary data, only 8.82% of all respondents explicitly stated that they believe the project could have adverse effects on their hunting activities in the future. Beekeeping activities are not expected to be impacted by the Project as most of the hives tend to be located on the hillsides. Information on direct impacts to ecosystem services will be further collected and verified during additional survey.

Expropriation and Compensation:

At the time of the survey the expropriation process reached the stage of compensation proposals in Municipality Ub, but not in Municipality Valjevo, so the summary below refers to the 29 households interviewed from Municipality Ub.

Table 20 - Status of compensation offer

Compensation offer status	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
No information	11	37.93	7	31.82	4	57.14

Compensation offer status	Total respondents		Male respondents		Female respondents	
	people	%	people	%	people	%
Accepted	11 ⁴	37.93	10	45.45	1	14.29
Expected, not yet provided	7 ⁵	24.14	5	22.73	2	0
Total	29	100.00	3	100.00	1	28.57

Satisfaction with Compensation: The responses of surveyed PAPs in Ub indicate varying levels of satisfaction with the compensation offered for their affected properties. According to the survey, three respondents (10.34%, all male) expressed concerns on the compensation and consulted a lawyer. Overall, 51.72% of surveyed PAPs (including 50.00% of male respondents and 57.13% of female respondents) expressed an opinion that compensation appeared to be below market value. A total of 31.04% (including 36.36% of male respondents and 14.29% of female respondents) described themselves as moderately concerned noting that both the compensation and the process were below their expectations and perceived market rates. A smaller portion, 13.79% (including 13.64% of male respondents and 14.29% of female respondents) indicated they were satisfied and the compensation is in alignment with market conditions. Only 3.45% (14.29% of female respondents) did not provide an opinion.

In three cases (10.34%, all male respondents) a legal process was initiated. In one instance the court upheld the original offer provided by Srbijavode, and the owner accepted the outcome and received compensation. The other two cases remain ongoing, each for more than six months. The reasons pursuing legal action, as reported by these respondents, include concerns over the amount of compensation and perception that offer might not fully reflect the value of their assets.

Impact of Compensation on Economic Status: The reported impact of compensation on the economic situation of compensated PAPs indicates mixed perceptions. For about half of the surveyed PAPs (51.73%, including mostly male respondents, and 2 female respondents), their economic situation has remained unchanged, suggesting that the expropriation did not substantially affect their financial well-being. None of the respondents mentioned that their economic situation had improved, while the remaining respondents noted various levels of economic decline – 34.48% (including most of the female respondents) experienced a partial worsening of their economic situation, leading to increased financial strain, and 13.79% (mostly male respondents, and one female) shared an opinion on significant worsening of their economic situation, reflecting serious negative implications from the loss of land and assets. These findings reflect the views of a relatively small sample of PAPs and should be interpreted with this limitation in mind, and may not be directly related to the Project and its impacts, as PAPs still continue to use their lands after the compensation has been provided.

Use of Compensation Funds: The utilization of compensation funds by PAPs reveals diverse spending patterns that reflect the immediate needs and priorities of the community following expropriation. The breakdown of responses regarding how the compensation funds were allocated is as follows:

- About half (51.72%, including the majority of female respondents) of respondents indicated that the funds were spent on everyday expenses over time, highlighting a reliance on compensation to cover basic living costs and maintain daily financial stability.
- 20.69% of respondents (including one female respondent) reported that the funds were invested in agriculture, demonstrating a commitment to sustaining their livelihoods through agricultural activities.
- 13.79% of responses (equally represented by male and female respondents) noted that the funds were put into savings.
- 6.69% of respondents (all male) used the compensation to purchase new land, indicating efforts to regain agricultural capacity and possibly mitigate the impacts of expropriation.

⁴ One of the male respondents accepted compensation following the completion of the court process.

⁵ Two of the male respondents are awaiting the completion of the court process.

- A smaller fraction, 3.45% (one female respondent) allocated their funds towards improving housing conditions, while another 3.45% (one male respondent) used the compensation to repay debts.

Although the initial survey covered a limited sample of PAPs, their spending patterns suggest that while compensation has contributed to meeting immediate needs, PAPs preferred to direct it toward day-to-day expenses. This may reflect the current priorities of affected households and the need to maintain stability. It could also suggest that PAPs at this stage interviewed PAPs did not prioritize acquisition of replacement land parcel.

Additional Assistance Received from Srbijavode: No formal requests for additional support were made by PAPs, and no supplementary assistance was reported by surveyed PAPs. However, it is worth noting that Srbijavode demonstrated openness to conducting additional purchases of the remaining orphan land in cases where it deemed them economically inviable according to clause 10 of the national Law on expropriation.

The survey revealed that 86.21% of interviewed PAPs believe their local community could benefit from support in accessing employment opportunities (this includes 86.36% of male and 85.71% of female respondents). This reflects a shared perception of the need to strengthen economic resilience in the area.

The expressed need for employment-related support may point to several underlying challenges, such as limited local job availability, gaps in vocational training, or a lack of accessible information. Addressing these could contribute meaningfully to the long-term sustainability of affected communities.

Additionally, 79.31% of the interviewees also felt that there is potential for local employment (particularly for manual or physical work) on Project-related construction activities (90.91% of male and 42.85% of female respondents). This suggests an interest and willingness among interviewed community members to contribute to and benefit from the Project.

4.2.4 Project Awareness and Communication:

Notification of Expropriation: For a significant number of the surveyed PAPs (55.17%), the first information about the start of the expropriation process came from their neighbours, who had been formally notified by the Municipality (63.64% of male and 28.57% of female respondents). Around 37.93% of respondents indicated that they were informed through official summons from their Municipality, which suggests that the notification process from the Municipality was conducted in succession (this includes 31.82% of male and 57.14 of female respondents). This was also confirmed through the interviews with Municipality representatives who confirmed that the notifications would get sent as soon as the owners were identified.

Additionally, 3.45% learned of the expropriation by encountering official surveyors in their fields (4.54% of male respondents). This mode of learning is somewhat passive and reflects a lack of proactive communication from project proponent. Moreover, 3.45% mentioned that nobody informed them of expropriation (14.29% of female respondents).

The predominance of learning about expropriation through neighbours indicates a significant need for improved communication strategies. The legal process does not include a requirement to publicly announce the start of expropriation, nor to hold any public hearings about the expropriation process itself. This has been identified as one of the gaps between the national legislation and EBRD requirements.

Public Consultation Participation: Only 2 of the 29 interviewed PAPs or 6.90 (9.09% of male respondents) stated they had participated in the consultations organized by Srbijavode, indicating a lack of active involvement from most of the community.

A total of 31.03% of respondents acknowledged awareness of the public consultations but chose not to participate for various reasons (this includes 36.36% of male and 14.29% of female respondents), while 41.38% of PAPs indicated that they were unaware that any consultations were taking place, signalling a substantial communication gap (this includes 31.82% of male and 71.42% of female respondents). Additionally, 20.69% expressed a lack of interest in participating in public consultations altogether, which may reflect either disengagement or dissatisfaction with the consultation process (this includes 22.73% of male and 14.29% of female respondents).

Reasons for non-participation (if aware): The feedback from the PAPs regarding the public consultations related to the Project highlights several barriers that hinder community engagement. Specifically:

- 37.93% of respondents stated that the consultations were not held at appropriate times, suggesting that scheduling may not be conducive to community participation (this includes 45.46% of male and 14.29% of female respondents).
- 10.34% reported that the consultations were physically too far away from their location, indicating accessibility issues that prevent attendance (this includes 22.73% of male and 14.29% of female respondents).
- 20.69% expressed complete disinterest in the consultations, which raises questions about the perceived value and relevance of these meetings to the community, and trust in the institutions (this includes 13.64% of male respondents).
- 6.90% of PAPs chose not to share their opinions regarding participation (this includes 4.54% of male and 14.29% of female respondents).
- 17.24% cited reasons related to age, health, or a lack of information as barriers that deterred them from participating (this includes 13.64% of male and 42.85% of female respondents).

This situation highlights the need for more effective outreach and communication strategies. The fact that 37.93% of respondents reported learning about the expropriation through official summons from their Municipality suggests that while formal notifications exist, they are not sufficient to ensure comprehensive community awareness and engagement. Moreover, the reliance on informal sources, particularly neighbours, for information about expropriation further emphasizes the inadequacy of official communication channels and may cause confusion and trust issues further in the expropriation process.

Assessment of information provided on the expropriation process: The responses show that 3.45% of PAPs (14.29% of female respondents) expressed uncertainty about how well-informed they were regarding the expropriation process, 37.93% stated that they were poorly informed (this includes 40.01% of male and 28.57% of female respondents), and 58.62% reported feeling utterly uninformed about the process (this includes 59.09% of male and 57.14% of female respondents).

These findings seem to indicate a substantial gap in the dissemination of information critical to understanding the expropriation process. However, based on the information provided by the Municipalities, in the notification on expropriation, the owners are invited to attend individual consultations, during which they learn the information about the project, location their land in relation to the Project area (with maps), the provisions of the expropriation law and the next steps in the process, along with any legal remedies they are entitled to. This information is shared in the documents they are provided during these meetings (the extent and consistency of the information shared with PAPs will be verified during the additional surveys).

However, it is also possible that some PAPs received official notifications without having had meaningful prior face-to-face engagement with the authorities, which may have contributed to a sense of dissatisfaction or confusion. This suggests that beyond the content of the information shared, the manner and timing of its delivery may also play a critical role in how the process is perceived. Therefore, it may be beneficial to supplement technical consultations with more accessible and interactive communication, allowing PAPs the opportunity to ask questions and express concerns early in the process.

Information disclosure: When asked how they would prefer the information is shared with them in the future 58.62% of respondents indicated that they have a strong preference regarding how often they would be informed about the project and the method of information disclosure (this includes 59.09% of male and 57.14% of female respondents), and another 17.24% indicated that they were not sure about how they would like to be informed (this includes 27.27% of male and 14.29% of female respondents).

The rest 24.14% of respondents noted that they would like to get the information in regular intervals (monthly or quarterly) and only one of the respondents noted that they would prefer to have a constantly available source of information, like a website or a contact person, with easy access and updates (this includes 13.64% of male and 28.57% of female respondents). Among these respondents the options on information disclosure and communication methods included information sharing through a notice board in their community, by person available in their community, as well as during meetings within their Local

Community demonstrating interest in having centralized, visible updates, and an opportunity for direct engagement and dialogue.

Problems with Project and Complaints:

Only 3.45% (female respondent) experienced problems and tried to have them resolved via official channels, 10.34% had problems but did not contact anyone so as to attempt to resolve them (this includes 9.09% of male and 14.29% of female respondents), 86.21% stated that they didn't experience any problems with the project, whatsoever (this includes 86.36% of male and 85.71% of female respondents).

Only 6.90% of the PAPs thought they knew who they could appeal to, identifying the court and/or local self-government as the avenue they used (this includes one male responded who contacted local self-government and one female responded to applied to court). The remaining 93.10% of PAPs said that they don't know who they should address their complaints to (this includes 95.46% of male and 85.71% of female respondents).

These findings may indicate that while formal information on grievance mechanisms has been shared—such as references to legal remedies in written documents and communications—some PAPs may not feel sufficiently informed or confident in navigating these processes.

5. Conclusions and Corrective Actions

Overview

The assessment of the current land acquisition process reveals a high level of compliance with the European Bank for Reconstruction and Development (EBRD) Performance Requirements, particularly in terms of legal due process, compensation distribution, and transparency. However, several gaps remain, especially with respect to replacement cost valuation, livelihood restoration, and meaningful consultation.

Key Findings

The expropriation process is being conducted in line with the national legislation. The national legislation is greatly aligned with EBRD standards, apart from the two main areas – compensation of replacement value vs market value; and meaningful consultation. There is no LAP/RAP in place so the gaps have not been managed through the process to date however this is not considered to be a high risk, for the following reasons:

- The discrepancy between replacement value and market value for land is not significant and there are mechanisms available to Srbijevode to allow mitigation of those impacts.
- Expropriation of the residential property has still not started, and any potential gaps have been identified through this report and mitigation outlined in the corrective actions table below.
- Additional consultations are expected to be organised for each of the affected villages to ensure a more effective and inclusive communication and information disclosure.

Compensation provided to affected parties is generally consistent with market values, as verified through a comparative market analysis.

Documentation and record-keeping are generally well-maintained. All affected land parcels have been identified and for most land parcels ownership status has been confirmed. Compensation offers are being distributed and a high percentage of the offers is being accepted.

Economic Impacts

While 13.79% of affected individuals self-reported concerns related to decline of their current economic situation, and another 34.48% reported partial worsening, the comparative analysis of land values does not indicate that compensation was below market rates. This suggests that the compensation should, in principle, enable these individuals to purchase replacement land and restore their livelihoods.

These self-reported outcomes may instead point to transitional challenges, such as limited access to suitable replacement land, gaps in financial literacy, or broader economic factors, such as inflation, rather than shortcomings in the compensation framework itself. In some cases, these impacts may not be directly linked to the project itself, particularly as some PAPs received compensation while still retaining access to and using the land.

Community Concerns

There is a prevalent perception among local communities that the current expropriation scope may expand in the future, contributing to anxiety and reduced trust in the process.

The lack of advance information, inconsistent engagement, and weak feedback mechanisms have led to frustration among PAPs. National expropriation processes are frequently perceived as opaque, with limited information flow, limited avenues for appeal, and insufficient engagement with affected parties. Across multiple projects, affected communities have reported dissatisfaction with how expropriation is implemented, regardless of compensation levels—indicating a broader social and reputational risk for the Project.

Recommendations

No	Recommendation	Description	Timeline	Responsible Party
1	Carry out Additional Survey	Conduct follow-up surveys with a representative sample of PAPs, including women, vulnerable households, and other disadvantaged groups, to validate initial findings and identify households requiring further support. Additional data to be collected through the focus groups discussions proposed to be carried out along with the public consultations.	During disclosure period	Srbijavode with support from Consultant, Municipalities
2	Verification of Provided Information on Impacts	During the audit, several discrepancies and uncertainties were noted in the information provided by PAPs, particularly related to specific types of impacts. For instance, some PAPs reported using wells as a source of irrigation water, yet it remains unclear whether these were formally recognized and compensated within the expropriation process. It is recommended to conduct a verification of reported impacts, including those on economically significant assets (e.g., irrigation wells, access roads/paths, etc.) to make sure these were properly identified and compensated. This should include also cross-checking field-level observations with valuation records and technical documentation, and documenting and addressing any omissions that may affect livelihood restoration. Verification will help ensure that all eligible losses are accounted for and enable the design of targeted corrective measures, where needed.	During disclosure period	Srbijavode with support from Consultant, Municipalities
3	Prepare a Livelihood Restoration Plan	The Livelihood Restoration Plan (LRP) will be developed to support PAPs whose livelihoods may not be fully restored through compensation alone. The LRP will outline targeted measures to assist vulnerable households and those experiencing significant economic losses, including access to training, employment opportunities, or productive assets. The Plan will be informed by the findings of additional surveys and focus group discussions and will include tailored support based on specific needs identified during consultations. LRP will be finalized during the disclosure period.	During disclosure period	Srbijavode with support of specialized consultant
4	Strengthen Stakeholder Engagement	Increase the frequency and quality of stakeholder engagement activities. Clear, repeated communication is essential to alleviate community concerns regarding the scope and finality of the expropriation process. Ensure communications are inclusive, understandable, and accessible to vulnerable and female-headed households. Use village-level meetings, flyers, and dedicated grievance	During disclosure period and throughout project implementation	Srbijavode with support from Consultant, Municipalities, and EPC Contractor (with the

		mechanism to address concerns and share updates.		support of consultant)
5	Targeted Consultations with Residential Property Owners	Conduct focused consultations with owners of potentially affected residential property to present the risks, understand their position and define the timing of decisions, and the support available. Proceed with the expropriation process in full compliance with EBRD and national requirements, ensuring transparency and procedural fairness.	During disclosure period	Srbijavode with support from Consultant, Municipalities
6	Establish GRM	Ensure a fully functional and adequately resourced grievance redress mechanism is in place. Raise awareness about the GRM and ensure anonymous complaints can be submitted without risk of retaliation.	Before implementation of LRP	Srbijavode with support from Consultant, Municipalities, and EPC Contractor (with the support of the consultant)
7	Provide Livelihood Restoration Support (If Applicable)	Where individuals face difficulty in reestablishing livelihoods despite receiving market-value compensation, consider providing supplementary support such as: employment opportunities on the Project, access to vocational training, priority lease of public land, support in accessing investment funding for agriculture (government or IFI-backed agricultural support initiatives). Other measures may be identified based on the outcomes of additional surveys and discussions in focus groups and will be detailed in the LRP.	Throughout project lifecycle	Srbijavode with support from Municipalities and EPC Contractor (with the support of the consultant)

The table below summarises the corrective actions identified through this audit.

Issue	Description	Proposed Measure	Timeline
Preparation of a Entitlement Matrix	Develop comprehensive Entitlement Matrix	<p>Prepare a comprehensive Entitlement Matrix (based on the version provided below), which would serve as a key tool to define and communicate the range of compensation and assistance measures available to different categories of PAPs. The Matrix should clearly specify:</p> <ul style="list-style-type: none"> ○ Types of losses (land, structure, crops, business, access, etc.) ○ Categories of PAPs (owners, tenants, informal users, vulnerable households, etc.) ○ Corresponding entitlements (compensation, transitional allowance, livelihood support, assistance with relocation, etc.) ○ Responsibilities (who delivers the entitlement) ○ Timing and means of delivery 	To be included in LRP – by the end of disclosure period
Preparation of LRP	Develop LRP aligned with requirements of EBRD PR5	<p>Carry out additional surveys (stratified sampling across gender, landholding size, and impact severity, targeting underrepresented groups, including vulnerable groups), discussions in focus groups, and data collection/verification process during disclosure period.</p> <p>Prepare a LRP focusing on affected households reporting a deterioration in economic status or inability to purchase replacement land.</p> <ul style="list-style-type: none"> ○ Use data from initial and additional socio-economic surveys, focus group discussions, and consultations to identify severely impacted and vulnerable PAPs. ○ Define eligibility criteria for livelihood restoration support, including indicators such as land loss percentage, income vulnerability, household dependency, and gender sensitivity. ○ Include tailored measures such as: <ul style="list-style-type: none"> • Support for securing agricultural land or alternative income-generating resources • Access to government and agricultural grant programs (e.g. IPARD) • Training and vocational support linked to local market needs • Agricultural inputs (e.g. seeds, fertilizers, tools, etc.) or start-up assistance for small businesses (e.g. for non-farm livelihoods) • Linkages to employment opportunities on the project and wider region. Ensure meaningful participation of PAPs in the development of LRP content through consultation. ○ Integrate grievance redress measures for PAPs. 	<p>For additional surveys, data collection and verification – first 60 days of disclosure period.</p> <p>For preparation of LRP – by the end of disclosure period (LRP should be subject to the formal disclosure and consultation process, and as a minimum the conditions listed in the end of proposed measures are fully met).</p>

Issue	Description	Proposed Measure	Timeline
		<ul style="list-style-type: none"> Final LRP to include monitoring framework and budgeted implementation plan. <p>To ensure effectiveness and legitimacy of the LRP, the following conditions must be fully met:</p> <ul style="list-style-type: none"> The LRP must be developed through a participatory process that ensures meaningful stakeholder engagement and input from project-affected people (PAPs). The HLACAP document should be updated to incorporate the findings from the additional survey and an updated entitlement matrix. These updates must be finalized and disclosed with sufficient time remaining (minimum 60 days) within the official disclosure period. The LRP should include a clear and actionable plan for continued stakeholder engagement during its implementation phase. 	
Physical resettlement	The house with surrounding yard and auxiliary structures is well within the area of the reservoir, as measured against each of the design parameters (dam crest, 10,000 water level or normal water level). The water levels of the reservoir would have to be permanently maintained below the design levels to justify excluding the house from expropriation.	<p>Initiate consultation process with the owners, alerting them to the risks associated with the Project, location of the house in relation to the designed water levels.</p> <p>Initiate the expropriation process only if impact cannot be avoided. If required, provide compensation at full replacement value, reflecting the market price of the property and all resettlement expenses (such as moving and transitional support, is applicable, in case of physical displacement), along with registration, administrative and other additional measures to be agreed with the PAP, as relevant.</p> <p>Continued occupation and livelihood activities on the property may continue after compensation is provided (or upon completion of ownership transfer), until such time as the land and structures must be vacated for project implementation.</p>	<p>For consultation with the household – Q3 2025</p> <p>For completion of expropriation – at least three months prior to site mobilisation</p> <p>Allow at least 60 days from receiving the compensation for relocation (vacating the house)</p>
Replacement value for land	Tax authority provides valuation for land (agricultural and construction) based on the market value and recorded transactions, but does not take	<p>The alternative measures proposed include:</p> <ul style="list-style-type: none"> For PAPs who have not received full replacement value for their land and seek to acquire new land, develop additional measures as part of LRP (to be agreed with Srbijavode) in order to enable eligible PAPs to 	<ul style="list-style-type: none"> Measure to be developed and implemented before access to land is required.

Issue	Description	Proposed Measure	Timeline
	<p>into consideration the added tax for transfer of ownership which the owner of expropriated land would have to pay when purchasing replacement land. This tax is linked to the price of the new property.</p> <p>However administratively it would not be possible for the Municipalities to arrange for this additional compensation.</p>	<p>acquire replacement land plots, thereby meeting EBRD replacement value requirements</p> <ul style="list-style-type: none"> • Allowing PAPs continued usage of the expropriated property until the property is required for the Project implementation, despite compensation being received. This includes utilisation of the properties after legal transfer of ownership to the Government of Serbia, resulting in use without payment of land and title taxes during the extended use period. For the owners of the land under the reservoir this could potentially mean 2-3 years of additional exploitation of land • Improvement of quality of other agricultural land owned by the PAP, through levelling and distribution of topsoil collected from the expropriated area 	<ul style="list-style-type: none"> • Complete expropriation to allow at least one agricultural season after the compensation is received. • Measure to be implemented by EPC contractor • Compensation before access to land is required
Additional consultations, Enhanced disclosure and engagement	<p>Public consultations were organised in Municipality Ub in 2024, to explain the Project, area of land being impacted and potential impacts to individual property. The consultations also included explanation of the expropriation process and the requirements related to land acquisition. The consultations were well received by the local community, but were not attended greatly due to the time and location of the meeting.</p>	<p>Srbijavode with the support of local Municipalities Valjevo and Ub to organise public consultations in Valjevo and Ub.</p> <p>Public consultations should be organised in each of the affected Cadastre Municipality separately. They should be attended by the representatives of Srbija vode and the Municipalities responsible for the implementation of the land acquisition process.</p> <p>The consultations should be organised in an appropriate local village venue (cadastre municipality office – mesna zajednica, or other larger scale venue)</p> <p>Timing of the proposed consultation meeting should be scheduled to ensure larger attendance (outside working hours or field hours)</p> <p>Announcements of the public consultation meeting to be advertised on the local message boards and local media (radio, newspapers) with sufficient notice</p> <p>Organisation of public hearing meetings and the announcements should take into consideration options ensuring a gender balanced attendance (suitable and accessible venues, suitable timing, etc.)</p> <p>Discussion in focus groups (mixed and women only) to be carried out after consultation meetings</p>	<p>Sep 2025 for Gola glava (Valjevo)</p> <p>Sep 2025 for Pambukovica (Ub)</p> <p>Oct 2025 for Radusa (Ub)</p> <p>Oct 2025 for Slatina (Ub)</p>
Timely compensation	<p>Changes in the local land market could impact the ability of PAPs to utilise received compensation</p>	<p>Market value compensation is already being paid to PAPs. Additional measures to be developed as part of LRP and agreed support to be provided upon request from eligible PAPs.</p>	<p>Throughout the expropriation process</p>

Issue	Description	Proposed Measure	Timeline
	for purchase of suitable replacement land. To date there has been no reported issues with payments being made within the legally prescribed period after signing of compensation offers.		
Implementation of livelihood restoration measures	Local community raised concerns regarding the lack of available agricultural land and increasing land prices, which limit their ability to purchase additional land and restore their livelihood through compensation alone. While these claims could not be firmly confirmed during the audit (given the limited and inconsistent land sale listings), the risk remains that certain households may face challenges in reestablishing their livelihoods without additional support.	<p>To address this risk and ensure effective livelihood restoration, especially for households significantly impacted by land loss or vulnerable members (final livelihood restoration measures to be included in LRP), Srbijavode should implement a comprehensive support mechanism, including for example:</p> <ul style="list-style-type: none"> • Local Employment and Skills Training: <ul style="list-style-type: none"> ○ Require the Contractor to prepare and implement a local employment strategy and advertise it locally to increase local employment during construction phase ○ include training programs for upskilling local workforce through the Project implementation, to enhance qualifications for job openings (opportunities to be provided to members of households affected by significant land loss, or vulnerable households, on a case by case basis) • Support for Agricultural and Business Development: <ul style="list-style-type: none"> ○ Srbijavode to offer informative consultations on grant programs and other forms of assistance for agriculture or other businesses (such as IPARD), with support from entities such as the Ministry of Agriculture, Forestry and Water Managements • Employment Assistance and Linkages <ul style="list-style-type: none"> ○ Srbijavode to offer informative consultations on skill training programs and employment assistance, including awareness of existing programs like the National Employment Service and Divac Foundation 	Throughout Construction phase and during initial Operation phase (first year of operation)

Entitlement Matrix

The following Entitlement Matrix provides an initial list of entitlements depending on the category of PAP and should be utilised in the next stage of the Project implementation. The matrix also includes the gaps identified during the audit and other data collected for the purpose of the ESIA package.

Additional surveys with PAPs will be conducted during the period of public disclosure for the ESIA, with sensitivity to the identification of PAPs who might be adversely impacted by the project due to their vulnerabilities. This document will be updated to include the additional findings.

Type of loss	Person with rights	Entitlement	Responsibility	Timeline
A. PERMANENT IMPACTS				
A1. STRUCTURES				
Loss of residential structure	Owner with formal title (including those that have a claim to land that is recognised or recognisable under national laws)	Consultations on the technical/design options for exclusion from expropriation. Presentation of risks associated with the property remaining	Srbijavode	Q3 2025
		Compensation at full replacement value, reflecting the market price of the property AND coverage of all resettlement-related expenses (such as moving and transitional support, if applicable, in case of physical displacement), along with registration, administrative and other additional measures to be agreed with the PAPs, as relevant.	Srbijavode as Beneficiary of Expropriation, with the support of Municipality as administrative body	Compensation provision at least three months prior to site mobilisation allowing at least 60 days for relocation.
		Continued occupation and livelihood activities on the property may continue after compensation is provided (or upon completion of ownership transfer), until such time as the land and structures must be vacated for project implementation.	EPC Contractor	PAP to be notified of the deadline for vacating the house at least 60 days prior
Non-residential structures (such as irrigation, fences, wells, livestock sheds, stables, etc.)	Owners of structures used for keeping livestock (it is not of importance if the owner of structures is owner of land, or lessee, or informal owner/user of land providing that they bore costs of	Compensation at full replacement value, reflecting the market price of the property AND coverage of all resettlement-related expenses (such as moving support, if applicable, along with registration, administrative and other additional measures to be agreed with the PAPs, as relevant.	Srbijavode	Compensation before access to land is required. Timely notification on the need to vacate the structures.

Type of loss	Person with rights	Entitlement	Responsibility	Timeline
	construction/improvement or acquired ownership in some other, recognizable way)	Continued occupation and livelihood activities on the property may continue after compensation is provided (or upon completion of ownership transfer), until such time as the land and structures must be vacated for project implementation.	EPC Contractor	PAP to be notified of the deadline for vacating the house at least 60 days prior
C - OTHER RESETTLEMENT SITUATIONS				
A2. LAND				
Agricultural land regardless the severity of loss (whether partial or complete loss of property)	Owner with formal title (including those that have a claim to land that is recognised or recognisable under national laws)	<p>Replacement land of equal or higher value and similar productivity in close proximity or within the general area, along with coverage of all applicable resettlement-related, administrative and registration measures, as relevant.</p> <p>OR</p> <p>Compensation at full replacement value reflecting the market price of the property</p> <p>AND</p> <p>coverage of all resettlement-related expenses (such as moving support, if applicable, along with registration, administrative and other additional measures to be agreed with the PAPs to enable eligible PAPs to acquire replacement land plots, thereby meeting EBRD replacement value requirements.</p>	Srbijavode	<p>Upon submitted request from PAP</p> <p>Compensated before access to land is required.</p> <p>Market value compensation is already being paid to PAPs.</p> <p>Measures to be developed as part of LRP and agreed support to be provided upon request from eligible PAPs</p>

Type of loss	Person with rights	Entitlement	Responsibility	Timeline
	Leaseholders	Replacement land of similar productivity. If the land is not available, consider compensation or additional measures reflecting terms of lease and impact	Srbijavode as Beneficiary of Expropriation, with the support of Municipality as administrative body	Upon submitted request from PAP Compensated before access to land is required.
	Squatters (if any)	Leased plot on State land	Srbijavode as Beneficiary of Expropriation, with the support of Municipality as administrative body	Upon submitted request from PAP Provided before access to land is required.
Unviable land (in case the remaining area of land is not viable, it can be expropriated upon PAPs request)	Owner with formal title (including those that have a claim to land that is recognised or recognisable under national laws)	Compensation similar to that envisaged for agricultural land, as outlined above in this table	Srbijavode	Upon submitted request from PAP, up until two years after the commencement of the operation phase/ issue of Usage permit (in accordance with Article 10 of the Law on Expropriation). Compensated before access to land is required.
Any additional land that is still to be acquired for the project that could not be identified at this stage: - widening of the existing roads, - sediment traps on the Ub river tributaries and the	Owner with formal title (including those that have a claim to land that is recognised or recognisable under national laws)	Compensation similar to that envisaged for agricultural land, as outlined above in this table	Srbijavode	Compensated before access to land is required.

Type of loss	Person with rights	Entitlement	Responsibility	Timeline
<div>access roads to these sediment traps,</div> <div><div><div>- rural roads to ensure access to private property where required</div><div>- biodiversity and sediment control riparian works outside the current zone of expropriation</div></div></div>				
A3. CROPS AND PERENNIAL PLANTS ON LAND				
Loss of annual crops, that could not have been harvested prior to land repossession	Owners of crops (it is not of importance if the owner of crops is owner of land, or lessee, or informal owner/user of land providing that they bore costs of planting crops or acquired ownership in some other, recognizable way)	<div>Provide the option of collecting harvest, where feasible.</div> <div>If collecting harvest is not feasible, compensation at full replacement value, reflecting the market price of expropriated crops adjusted to account for any portion already harvested.</div>	<div>EPC Contractor</div> <div>Srbijavode</div>	<div>Before access to land is required. Provide notification at least 30 days prior.</div> <div>Compensation before access to land is required.</div>
Loss of perennial plants and trees (fruit bearing trees, vineyards and fruit bearing plants)	Owners of plants (it is not of importance if the owner of plants is owner of land, or lessee, or informal owner/user of land providing that they bore costs of planting or acquired ownership in some other, recognizable way)	<div>Provide the option of collecting harvest, where feasible.</div> <div>AND</div> <div>Compensation at full replacement value, which is based on age category and calculated as gross market value of one-year income times the number of years to grow a perennial to similar productivity/age, plus purchase price of seedlings and starting materials.</div>	<div>EPC Contractor</div> <div>Srbijavode</div>	<div>Before access to land is required. Provide notification.</div> <div>Compensation before access to land is required.</div>
Loss of perennial plants and trees (non-productive / timber)		Compensation at full replacement value based on the market price of dry wood volume, plus purchase price of seedlings and starting materials	Srbijavode	Compensation before access to land is required.
A4. OTHER RESETTLEMENT SITUATIONS				

Type of loss	Person with rights	Entitlement	Responsibility	Timeline
Loss of access to usual resources, amenities, community held resources and buildings	Communities or households	Timely information about the disturbance. Renewing public ownership or services (roads, buildings of public interest or similar). Restoring access to conveniences or services to previous levels.	Srbijavode and EPC Contractor	Throughout Construction phase.
Imposition of permanent servitudes (might be required for relocation of utilities, ensuring access, etc.)	Owners of land plots	Compensation at full replacement value reflecting the market price of the property and relevant additional measures. If servitude imposed makes the use of the land non-viable, then the land plot has to be acquired in full.	Srbijavode and EPC Contractor	Throughout Construction phase.
Undetermined impact (including ecosystem services)	Any person affected by impact	Any undetermined impact will be mitigated in accordance with principles and aims of this document	N/A	N/A
Support to vulnerable population groups	Categories of vulnerable groups to be defined (typically include households with income below poverty line, women-led households, elderly without family support, households with multiple minor children, households with disabled member, etc.)	One-off monetary assistance option (to be defined) Enrollment in government social assistance programs, if not yet involved Priority in local employment for able members of vulnerable households	Srbijavode as Beneficiary of Expropriation, with the support of Municipality as administrative body, and EPC Contractor	Compensation before access to land is required. Throughout Construction phase.
A.5 LIVELIHOOD RESTORATION MEASURES				
Permanent loss of ability to continue agricultural production	Previous land owners (title holders and members of their household) who do not have the ability or desire to continue with agricultural production	Continuation of usage of the expropriated property until the property is required for the Project implementation, despite the status of compensation and ownership	EPC Contractor	For vacating the land - at least one agricultural season after the compensation is received.

Type of loss	Person with rights	Entitlement	Responsibility	Timeline
	following the expropriation (due to age, health conditions, limited ability to purchase replacement land)	<p>Access to information about the employment strategy developed by the Contractor.</p> <p>Access to informative consultations on skill training programs and employment assistance (National Employment Service, Divac Foundation and others).</p> <p>Access to training programs for upskilling (vocational training, English and software courses, training in services and administration...).</p> <p>Access to job opportunities related to the Project.</p>	Srbijavode and EPC Contractor	<p>Upon submitted request from PAP</p> <p>Throughout Construction phase and during initial Operation phase (first year of operation)</p>
B. TEMPORARY IMPACTS				
Impacts caused by temporary occupancy of land and any damages to the property made during temporary occupancy	Property owner (including those that have a claim to land that is recognized or recognizable under national laws)	<p>Market price of lease for duration of the occupancy + Replacement cost value in accordance with this matrix for affected crops, orchards, nurseries etc. + Compensation for any damages to the property evaluated at replacement cost</p> <p>And;</p> <p>The land must be returned to original condition. Improved quality of the land due to top soiling work should not be removed, except if agreed upon differently with owner.</p>	Srbijavode and EPC Contractor	<p>Throughout Construction phase.</p> <p>Compensation before access to land is required</p>
Livelihood Restoration Measures -Temporary loss of ability to continue agricultural production	Previous land owners who intend to continue with agricultural production on replacement land purchased from the received compensation	Continuation of usage of the expropriated property until the property is required for the Project implementation, despite the status of compensation and ownership	EPC Contractor	For vacating the land - at least one agricultural season after the compensation is received.
		Improvement of quality of other agricultural land owned by the PAP, through levelling and distribution of topsoil collected from the wider expropriated area	Srbijavode and EPC Contractor	Upon submitted request from PAP
		Access to resources including consultations on grant programs and other forms of financial or training assistance for agriculture (such as IPARD)	Srbijavode and EPC Contractor	Throughout Construction phase and during initial

Type of loss	Person with rights	Entitlement	Responsibility	Timeline
				Operation phase (first year of operation)

Appendix A

Questionnaire for the survey

See separate file – ESIA Volume II LACAP Appendix Questionnaire .

Appendix B

Aerial photographs taken during a drone flyover of the Project area







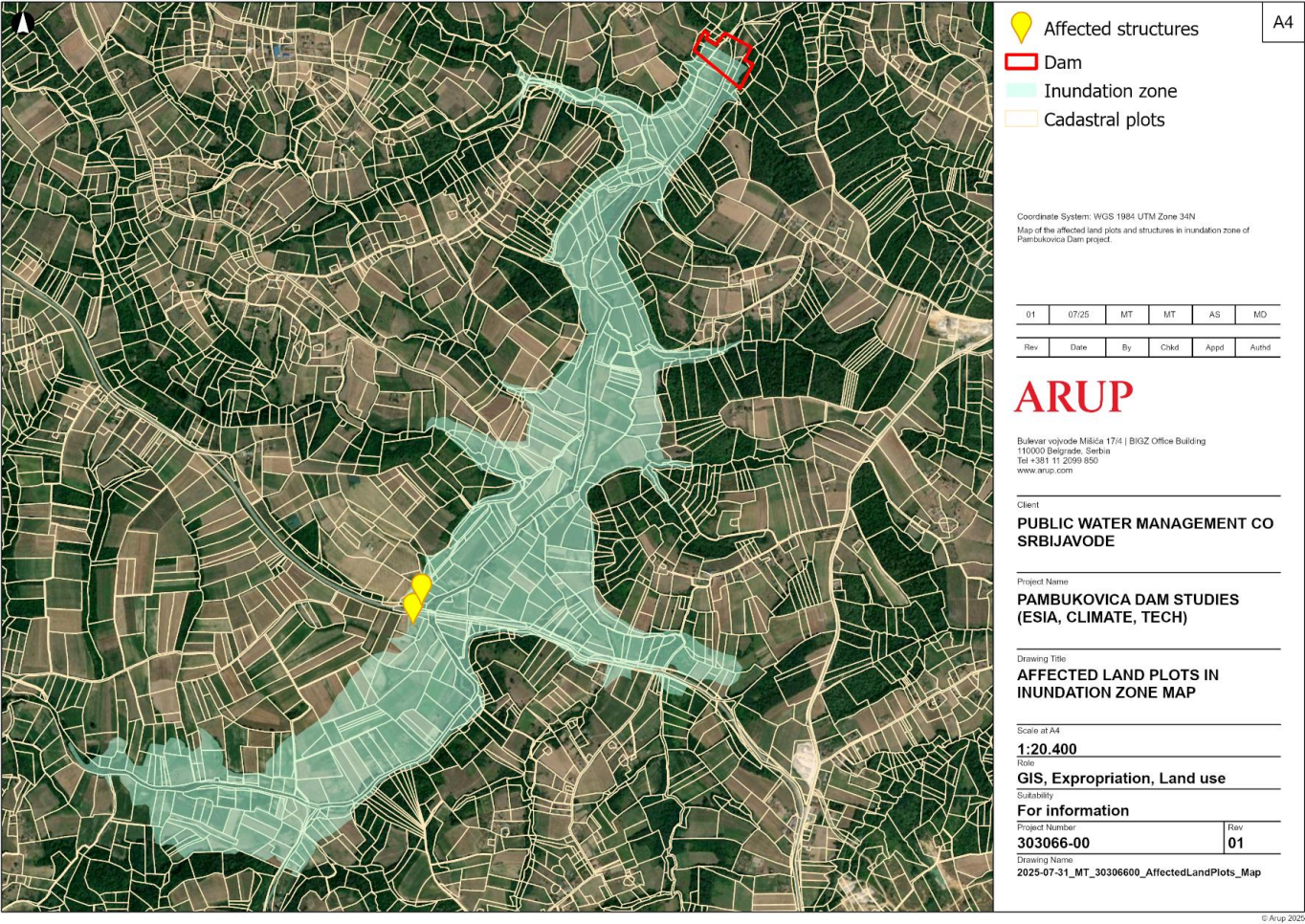






Appendix C

The cadastral map with land plots overlaid on satellite imagery, including the inundation zone of the reservoir



Appendix D

Printouts of current listings / Municipality of Ub

Date: 17 July, 2025

The screenshot displays a real estate portal interface for land listings in the Municipality of Ub. On the left, a search filter titled 'Tip nekretnine' (Type of property) is set to 'Zemljište' (Land). Under 'Lokacija' (Location), 'Ub / Okolno mesto' (Ub / Surrounding area) is selected. The 'Cena' (Price) and 'Površina' (Area) fields have minimum and maximum value inputs. The 'Oglašivač' (Advertiser) section includes checkboxes for 'Agencija' (Agency) and 'Vlasnik' (Owner). The 'Vrsta zemljišta' (Type of land) section has checkboxes for 'Plac' (Plot), 'Poljoprivredno zemljište' (Agricultural land), and 'Građevinsko zemljište' (Construction land). The 'Vrsta poljopr. zemljišta' (Type of agricultural land) section has checkboxes for 'Njiva' (Field), 'Suma' (Forest), 'Voćnjak' (Orchard), and 'Vinograd' (Vineyard). The central map shows the geographical area with several green circular markers indicating land listings. On the right, a list of four land listings is displayed, each with a thumbnail image, title, location, area, price, and a 'SAČUVAJ OVO PRETRAŽIVANJE' (Save this search) button.

Thumbnail	Title	Location	Area	Price	Price per ar
	Vojnačka lešnica, Ub, 10 hektara, sa mehanizacijom	Ub • Okolno mesto Stublenica	Zemljište 1.000 ari	350.000 €	350 €/ar
	Plac u građevinskom području	Ub • Okolno mesto Stublenica	Zemljište 85 ari	51.000 €	600 €/ar
	Plac 38 ari sa objektom	Ub • Okolno mesto • Zvezdar	Zemljište 38 ari	23.500 €	618 €/ar
	Plac površine 30 ari			18.000 €	1.000 €/ar

<https://www.halooglasi.com/nekretnine/prodaja-zemljista/njiva-sa-sumom-2-21-ha/5425645558671?kid=1>

Public Water Management Company Srbijavode
European Bank for Reconstruction and Development
2025/15 | Final | 12 August 2025 | Arup d.o.o. Beograd (Savski venac)

<https://www.halooglasi.com/nekretnine/prodaja-zemljista/poljoprivredno-zemljiste-4-5-ha/5425645552266?kid=1>

Public Water Management Company Srbijavode
European Bank for Reconstruction and Development
2025/15 | Final | 12 August 2025 | Arup d.o.o. Beograd (Savski venac)

<https://www.halooglasi.com/nekretnine/prodaja-zemljista/njiva-sa-sumom-1-6-ha/5425645376185?kid=1>

[Pretraga](#)
[Novogradnja](#)
[Cene po lokacijama](#)
[Vesti](#)

[Predaj oglas](#)

[Izabrani](#)

[Uloguj se](#)

Njiva sa šumom 1.6 ha

Ub - Okolno mesto - Vrhovine

8.000 €

50 €/ar

Tip nekretnine	Površina
zemljište	160 ari

Oglašivač	Agencija
Vrsta zemljišta	Poljoprivredno zemljište

Dodatni opis

NA PRODAJU!

Njiva sa šumom 1.6 ha na Ubu, Vrhovine

1 ha poljoprivrednog obradivog zemljišta

60 ari šume

Blizu škole i centra sela

Ravna parcela

Asfaltni put

Vlasništvo 1/1

Mogućnost realizacije ugovora u najkraćem mogućem roku

Zakažite razgledanje nepokretnosti! Klijentima nudimo potpunu pravnu sigurnost pri kupovini i zakupu nepokretnosti

AGENCIJA ZA NEPOKRETNOSTI - GEOLOGISTIKA UB

Kontakt

Agencija za nekretnine
GEOLOGISTIKA DOO

Ulica **Kralja Petra I Oslobođioca 52**

Mesto **Ub**

Tel 1 **Klik za prikaz telefona**

Reg.br. **1212**

[Pošaljite poruku oglašivaču](#)

Šifra oglasa na sajtu: **5425645376185**

Objavljen: **28.06.2025. u 13:52**

BESPLATNO OGLASI

NEKRETNINU IZVAN BEOGRADA

Novogradnja u Zemunu

Pregrevica SKY & SUN Residences

PRODAJA DIREKTNO OD INVESTITORA: **062-38-00-41**

<https://www.halooglasi.com/nekretnine/prodaja-zemljista/plac-38-ari-sa-objektom/5425645735821?kid=1>

Public Water Management Company Srbijavode
European Bank for Reconstruction and Development
2025/15 | Final | 12 August 2025 | Arup d.o.o. Beograd (Savski venac)

<https://www.halooglasi.com/nekretnine/prodaja-zemljista/plac-povrsine-30-ari/5425645611089?kid=1>

<https://www.halooglasi.com/nekretnine/prodaja-zemljista/na-prodaju-poljoprivredno-zemljiste-ruklada-u/5425645703188>

Halo

nekretnine

Pretraga

Novogradnja

Cene po lokacijama

Vesti

+

Predaj oglas

★

Izabrani

Uloguj se

Na Prodaju Poljoprivredno Zemljište Ruklada /UB

Ub - Okolno mesto - Ruklada - Ruklada

4.300 €

72 €/ar

Kontakt

korisnik-ext-2008210886

Tel 1

Klik za prikaz telefona

Pošaljite poruku oglašivaču

Šifra oglasa na sajtu: 5425645703188

Objavljen: 26.06.2025. u 19:09

Halo

Oglasi

BESPLATNO OGLASI

NEKRETNINU IZVAN BEOGRADA

Novogradnja u Zemunu

Gornji grad

Cara Dušana 100

Tip nekretnine

zemljište

Površina

60 ari

Oglašivač

Vlasnik

Vrsta zemljišta

Plac

Dodatno

Uknjižen

Dodatni opis

Prodajem Poljoprivredno Zemljište koje može da se koristi ka Plac za Vikendicu itd. Zemljište se nalazi u blizini MOL pumpe na Auto Putu M.V. Zemljište je pogodno i za Poljoprivredno Obradivanje ili slično... Za Sve INFORMACIJE POZVATI NA BR TEL 0695552737

7. Ub / 85a / Stublenica

<https://www.halooglasi.com/nekretnine/prodaja-zemljista/plac-u-gradjevinskom-podrucju/5425645418600?kid=1>

Halo

nekretnine

Pretraga

Novogradnja

Cene po lokacijama

Vesti

+

Predaj oglas

★

Izabrani

Uloguj se

Plac u građevinskom području

Ub - Okolno mesto - Stublenica

51.000 €

600 €/ar

Kontakt

Agencija za nekretnine

GEOLOGISTIKA DOO

Ulica

Kralja Petra I Oslobođioca

Mesto

Ub

Tel 1

Klik za prikaz telefona

Reg.br.

1212

Pošaljite poruku oglašivaču

Šifra oglasa na sajtu: 5425645418600

Objavljen: 06.07.2025. u 11:37

NikoDu gradnja

Novogradnja u Zemunu

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Kontaktirajte nas: 064 1177992

www.nikodugradnja.rs

Novogradnja u Zemunu

Gornji grad

Cara Dušana 100

Tip nekretnine

zemljište

Površina

85 ari

Oglašivač

Agencija

Vrsta zemljišta

Građevinsko zemljište

Dodatno

Uknjižen

Dozvoljena gradnja

Ostalo

Voda

Asfalt

Kanalizacija

Struja

Dodatni opis

NA PRODAJU!

Plac u građevinskom području na Ubu, Stublenica

Površina placa 85 ari

Udaljen od naplatne rampe 2 km

Mogućnost izgradnje objekta na 15000 m²

500 m od tržnog centra

Public Water Management Company Srbijavode
European Bank for Reconstruction and Development
2025/15 | Final | 12 August 2025 | Arup d.o.o. Beograd (Savski venac)

Environmental and Social Impact Assessment, Climate Change Assessment and
Technical Assessment for Pambukovica Dam in Serbia
Historic land acquisition audit with Corrective Action Plan

Page 8

<https://www.halooglasi.com/nekretnine/prodaja-zemljista/poljoprivredno-zemljiste-2-2-ha/5425645500104?kid=1>

Public Water Management Company Srbijavode
European Bank for Reconstruction and Development
2025/15 | Final | 12 August 2025 | Arup d.o.o. Beograd (Savski venac)

<https://www.halooglasi.com/nekretnine/prodaja-zemljista/vocnjak-lesnika-ub-10-hektara-sa-mehanizacijom/5425645218405?kid=1>

Public Water Management Company Srbijavode
European Bank for Reconstruction and Development
2025/15 | Final | 12 August 2025 | Arup d.o.o. Beograd (Savski venac)

10. Ub / 3.85ha / Stublenica

<https://www.halooglasi.com/nekretnine/prodaja-zemljista/plantaza-lesnika-na-3-85-ha/5425645473818?kid=1>

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Plantaža lešnika na 3.85 ha

Ub - Okolno mesto - Stublenica

170.000 €
 442 €/ar

Plantaža lešnika na 3.85 ha
 (Ub, Stublenica)
cena: 170.000 €

GeoLogistika

Tip nekretnine	Površina
zemljište	385 ari

Oglašivač	Agencija
Vrsta zemljišta	Poljoprivredno zemljište
Vrsta poljopr. zemljišta	Voćnjak

Kontakt

Agencija za nekretnine
 GEOLOGISTIKA DOO

Ulica **Kralja Petra I Oslobođioca**
 52
 Mesto **Ub**
 Tel 1 [Klik za prikaz telefona](#)
 Reg.br. **1212**

Pošaljite poruku oglašivaču

Šifra oglasa na sajtu: **5425645473818**
 Objavljen: **28.06.2025.** u **13:52**

BESPLATNO OGLASI

NEKRETNINU IZVAN BEOGRADA

Novogradnja u Zemunu

Gornji grad
 Cara Dušana 100

PRODAJA DIREKTNO OD INVESTITORA: **062-38-00-41**

11. Ub / 2.1ha / Banjani

<https://www.halooglasi.com/nekretnine/prodaja-zemljista/poljoprivredno-zemljiste-2-1-ha/5425645472971?kid=1>

Poljoprivredno zemljište 2.1 ha

Ub - Okolno mesto - Banjani



Tip nekretnine
zemljište

Površina
210 ari

Oglašivač

Agencija

25.000 €
119 €/ar

Kontakt

Agencija za nekretnine
GEOLOGISTIKA DOO

Ulica **Kralja Petra I Oslobođioca 52**
Mesto **Ub**
Tel 1 [Klik za prikaz telefona](#)
Reg.br. **1212**

Pošaljite poruku oglašivaču

Šifra oglasa na sajtu: **5425645472971**
Objavljen: **28.06.2025. u 13:52**

Dodatno

✓ Uknjižen

Ostalo

✓ Struja

✓ Telefon

✓ Asfalt

Dodatni opis

NA PRODAJU!

Poljoprivredno zemljište 2.1 ha na Ubu, Banjani

Ravna parcela na asfaltnom putu

55 ari bila šuma koja je sada pokrčena

Na glavnom putu Ub-Šabac

14 km udaljeno od Uba

2 km od centra sela



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Novogradnja u Zemunu
Gornji grad
Cara Dušana 100
PRODAJA DIREKTNOD INVESTITORA: **062-38-00-41**

12. Valjevo / 5.6ha / Blizonje

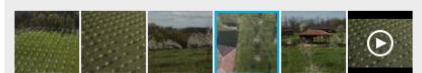
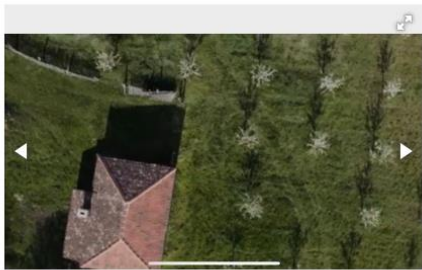
<https://www.halooglasi.com/nekretnine/prodaja-zemljista/brankovina-5-6ha-okruzen-sumom/5425644460706?kid=1>

Brankovina, 5.6ha okružen šumom

Valjevo - Okolno mesto - Blizonje

290.000 €

518 €/ar



Tip nekretnine
zemljište

Površina
560 ari

Oglašivač

Agencija

Vrsta zemljišta

Poljoprivredno zemljište

Vrsta poljopr. zemljišta

Voćnjak

Dodatno

✓ Uknjižen

Ostalo

✓ Struja

Dodatni opis

Blizonje, Brankovina.

Parcela se nalazi na 19km od Valjeva.

Ukupno u celini je 5.6ha. Od čega je na 4 ha zasad šljive stenlej (1000 stabala) a 1.6ha je šuma koja okružuje ceo plac.

Na palacu se nalazi nova kuća u osnovi 50m2 sa prizemnom terasom od 50m2. Sastoji se od dnevne sobe sa trpezarijom i kuhinjom, spavaće sobe i kupatila. Uz kuću je i letnjikovac.

Kontakt

Mezzanine d.o.o.

MEZZANINE

REAL ESTATE AGENCY

Ulica **Desanke Maksimović 8G**

Mesto **Beograd**

Tel 1 [Klik za prikaz telefona](#)

Reg.br. **1044**

Pošaljite poruku oglašivaču

Šifra oglasa na sajtu: **5425644460706**
Objavljen: **15.07.2025. u 12:11**

Halo Oglasi



BESPLATNO OGLASI
NEKRETNINU IZVAN BEOGRADA

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Gornji grad
Cara Dušana 100



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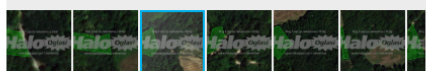
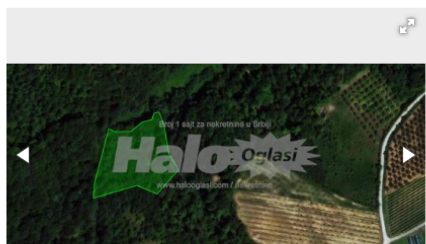
13. Valjevo / 166a / Milićinica

<https://www.halooglasi.com/nekretnine/prodaja-zemljista/prodaja-sumskog-zemljista/5425645765218?kid=1>

prodaja šumskog zemljišta

Valjevo - Okolno mesto - Miličinica - Javorska

8.000 €
48 €/ar



Tip nekretnine
zemljište

Površina
166 ari

Oglašivač

Vlasnik

Vrsta zemljišta

Plac

Dodatno

Uknjižen

Dodatni opis

Prodajem 8 šumskih zemljišta koja su zasebno rasporedjena, dva su spojena putem. Šuma je 3.4.i 5.klase. Pre 20ak god. je sečena i tanja su stabla i sitnija masa drveća. Preovladjuje bukva, cer, grab, bagrem, hrast.

Prikaz mape

Kontakt

korisnik-247239

Pošaljite poruku oglašivaču

Šifra oglasa na sajtu: **5425645765218**
Objavljen: **13.07.2025. u 18:08**



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u Zemunu** Gornji grad
Cara Dušana 100



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