



PLAVA VODA REGIONAL WATER SUPPLY PROJECT

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"PLAVA VODA"
d.o.o. Travnik

RESETTLEMENT AND COMPENSATION FRAMEWORK (RCF)

DRAFT REPORT

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1 Introduction

1.1 Project Summary

The Public Enterprise Regional Water Supply "Plava Voda" d.o.o. Travnik ("Public Enterprise") is implementing the Plava Voda Regional Supply Project ("the Project"), which is being considered for financing by a parallel loan from the European Bank for Reconstruction and Development ("EBRD") and Council of Europe Development Bank ("CEB").

The purpose of the Project is to extend water exploitation from the Plava Voda spring, located in the town of Travnik (which currently uses it to a limited extent for local water supply), to serve other three municipalities in the Central Bosnia Canton (Novi Travnik, Vitez and Busovaca), as well as the municipality of Zenica, in the neighbouring Zenica-Doboj Canton. There is a high demand for clean and efficient supply of water in the above mentioned municipalities. Thus, the ultimate aim of the Project is to satisfy the needs of concerned population by providing reliable long term water supply through joint effort of the involved Municipalities.

The loan funds will be used for the construction of water intake structures at the Plava Voda spring, together with the construction of a main transport pipeline, about 33 kilometres long, from the spring in Travnik, through Novi Travnik, Vitez and Busovaca to the city of Zenica. The Project also includes the construction of supporting facilities to enable connections to the existing water distribution networks of the five municipalities. This will be the first regional (Federal) project in BiH, which will provide a long term solution for potable water supply in five municipalities with total population of 250,000.

It is expected that the project implementation will last for app. 3 years. The planned implementation period is 2015 – 2018. A detailed dynamic plan of the implementation will be prepared prior to commencement of the works.

1.2 Objectives and Scope of the Document

The Public Enterprise has prepared and adopted this Resettlement and Compensation Framework ("RCF") with the aim of setting out the principles for addressing the potential impacts of land acquisition within the Project, in conformance with:

- The laws and regulations in force in the Federation of Bosnia and Herzegovina (FBiH),
- The Environmental and Social Policy 2008¹ of EBRD, particularly Performance Requirement 5: Land Acquisition, Involuntary Resettlement and Economic Displacement.

This RCF is meant to guide the development of a Resettlement Action Plan ("RAP") for the Project which will provide more precise details on the project affected people, the eligibility criteria and the procedures to be applied for the Project in line with this RCF.

The principles set out in this RCF are binding to both the Public Enterprise and the Contractor selected to undertake the construction and operation of the Project.

¹ The full text of the Policy is available at: <http://www.ebrd.com/downloads/research/policies/2008policy.pdf>

2 Laws and Regulations

2.1 The Expropriation Law of FBiH

The **key provisions of the Expropriation Law of FBiH** (Official Gazette of FBiH, No. 70/07, 36/10 and 25/12) are summarized as follows:

- **Public interest and purpose of expropriation:**
 Property can only be expropriated upon the establishment of public interest for projects that bring greater benefit for the public (Art. 3 and 5).
 Expropriation may be carried out for the needs of the Federation of BiH, cantons, cities, municipalities, public enterprises and public institutions, unless otherwise provided by the Law.
- **Expropriation process:**
 A condition to start expropriation is the existence of evidence that the required funds have been secured and deposited with the bank in the assessed total sum for payment or proof of existence of replacement properties (Art. 24).
 The procedure for expropriation starts with a proposal for expropriation, submitted by the Expropriation Beneficiary to the relevant Municipality (the expropriation body). The proposal contains data on the property for which expropriation is proposed, the owners of such property and the purpose for which expropriation is proposed.
 Negotiated settlements are explicitly encouraged by the Law (Art. 23). The signed agreement on compensation has to include the timing and rate at which cash compensation will be paid or in kind compensation provided (Art. 26). If agreement on compensation is not reached, the relevant court passes a decision on compensation (Art. 60-64).
- **Information and consultation requirements:**
 Affected owners are informed throughout the expropriation process, i.e. that a request for expropriation has been submitted (Art. 25). Before the decision on expropriation is passed, the Municipal office in charge of expropriation has to invite the affected persons with formal legal rights to a meeting to present any facts which may be relevant for expropriation (Art. 27).
- **Types of expropriation:**
 Expropriation can be temporary (incomplete) or permanent (complete).
Complete expropriation allows the expropriation beneficiary to obtain legal title over the expropriated property, while the rights of the previous owner over the real property as well as other rights over that real property cease to exist.
Incomplete expropriation provides the beneficiary with usufruct rights on the land and structures, as well as the lease of the land for a definite period of time. At the end of the lease, usufruct rights over land are returned to the previous owner. However, owners that are affected by a partial loss of their real properties are entitled to request complete expropriation and the corresponding compensation, in case that partial expropriation would deteriorate the economic situation of the actual property owner or make the remaining part of the property useless or difficult to use (Art. 11).
- **Compensation:** Compensation is provided at market value of the affected property (Art. 12), determined on the basis of prices of property in the given area, calculated as the market price which could be achieved for a specific real property, depending on the supply and demand at that particular moment in time (Art. 46).
 The Law sets out in detail how compensation is determined for buildings, orchards and vineyards, forest land and timber, agricultural, construction and city land.
 Compensation to those who have formal legal rights is provided in the form of replacement property (Art. 45). However, compensation may be provided in cash, upon the request of the owner and if suitable replacement property cannot be identified (Art. 46). Property owners are entitled to compensation for any losses of benefits they would otherwise have from that property (Art. 54).

Personal and family circumstances of the owners whose property is pending expropriation, as well as circumstances which may have adverse economic effects, can be taken into account when determining the amount of compensation, which may be increased above the market value (Art. 47). This provision addresses livelihood restoration beyond the sheer compensation of the lost asset by providing flexibility based on a case-by-case assessment of personal circumstances. Compensation costs are borne by the Expropriation Beneficiary. Compensation arrangements must be settled prior to the formal transfer of ownership of the expropriated property (Art. 31).

- **Grievance procedure:** The Law foresees the rights of affected citizens to appeal at many stages of the expropriation procedure, beginning with administrative and judicial appeals (i.e. against the decision on public interest (Art. 16), the decision on expropriation (Art. 30) and regarding compensation (Art. 60).

2.2 Other Related Legislation of FBiH

The *Law on Proprietary Rights* (Official Gazette of FBiH, No. 66/13, 100/13) regulates the issues of acquiring, using, disposing of, protecting and terminating ownership rights and other proprietary rights and possession rights, including the issues of restricting such rights, the right of servitude, co-ownership and joint ownership rights, the procedure for acquiring property rights over land and/or structures erected on someone else's land.

The *Law on Construction Land of FBiH* (Official Gazette of FBiH, No. 67/05) allows for the legalization of informally constructed structures on construction land in state ownership on which a structure has been built. This Law enables the subsequent issuing of a permit for construction, by the Municipal Council, in accordance with the Law on Spatial Planning. Legalization of informally constructed buildings is further regulated by decrees taken at cantonal level, and implemented at municipality level.

2.3 Applicable EBRD Policy

EBRD applies its Environmental and Social Policy (2008) to this Project. Land acquisition is covered by Performance Requirement (PR) 5 of the Policy. The main points of PR 5 are as follows:

- All feasible alternative project designs should be explored to avoid or at least minimise physical and/or economic displacement;
- Negotiated settlements are encouraged to help avoid expropriation and eliminate the need to use governmental authority to remove people forcibly;
- Adverse social and economic impacts from land acquisition or restrictions on affected persons' use of and access to land should be mitigated by: (i) providing compensation for loss of assets at replacement cost; and (ii) ensuring that land acquisition activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected;
- The livelihoods and standards of living of displaced persons should be improved or, at a minimum, restored to pre-project levels;
- Informal occupants of land are not entitled to compensation for land; however, they should be compensated for any other improvements to land, any assets on the land that they own and provided resettlement assistance;
- A grievance mechanism must be established as early as possible in the process in order to receive and address in a timely fashion specific concerns about compensation and relocation that are raised by displaced persons and/or members of host communities, including a recourse mechanism designed to resolve disputes in an impartial manner.

2.4 Gaps and Proposed Solutions

The gaps and solutions relevant to the Project which have been addressed through this RCF are summarized in Table 1 below.

Table 1: Summary of gaps and solutions relevant to the Project

Issue	EBRD requirement	Provision of FBiH Law on Expropriation	Measures to be undertaken to bridge gap
resettlement planning and implementation	a census and a socio-economic baseline assessment must be carried out, and a Resettlement Action Plan must be prepared and implemented	requires only an Expropriation Study as the baseline census	A census and socio-economic survey have been carried out for the needs of the Project and a RAP has been developed according to EBRD's requirements.
compensation for informal owners and occupants of property	both formal and informal rights to property must be recognized and taken into account	recognizes only the formal owner of property	In cases where ownership of property to be expropriated is not formal, the provisions of the Entitlements Matrix (Table 2 of this RCF) will be applied. People without any formal land titles affected by permanent land acquisition will not be compensated for land, but will be compensated for any assets on the land. Occupants and users of land plots affected by construction works will be compensated for any assets on land damaged by such works.
compensation for loss of business income	both formal and informal rights must be recognized and taken into account	only formal owners of a business structure are entitled to compensation for any loss of income until they are able to fully restore business activities	In case of informal businesses, the provisions of the Entitlements Matrix (Table 2 of this RCF) will be applied. Informal businesses will be assisted by the Public Enterprise to regularize their status, and will be provided with compensation for any commercial losses incurred as a result of construction works (reduced income or loss of income due to access restrictions).
provision of compensation at replacement value	compensation to be provided at full replacement cost	compensation is provided at market value	People affected by permanent loss of land plots will receive compensation at full replacement value (market value of the property in line with the Law on Expropriation plus the legal costs of acquiring other property).
vulnerable individuals and groups	particular attention to be paid to vulnerable groups	no special measures relating to vulnerable groups except increase in compensation based on "personal and family situation of previous owner"	Vulnerable persons have been identified, and appropriate measures have been incorporated in the RAP. Access to information and assistance for vulnerable persons will be facilitated by the Public Enterprise according to their specific needs, with support from the municipal services in charge of social

Issue	EBRD requirement	Provision of FBiH Law on Expropriation	Measures to be undertaken to bridge gap
			care, displaced persons and refugees.
grievance mechanism	a project-specific grievance mechanism must be established	no requirement for Project-specific grievance mechanism	A grievance procedure has been set up by the Stakeholder Engagement Plan (SEP) and included in the RCF and RAP, and will be implemented by the Public Enterprise
monitoring of resettlement implementation	arrangements for resettlement monitoring must be defined by the resettlement plan	no specific monitoring procedures	Monitoring will be carried out by the Public Enterprise as defined in ESAP, RCF and RAP.

3 Project Impacts

The Project foresees only land acquisition (of 476,614 m² of land), without physical resettlement of any households or businesses. Land acquisition will mostly be temporary ("incomplete expropriation") for the purpose of placement of the main transport pipeline and its branches, even though several cases of permanent land acquisition ("complete expropriation") are foreseen for the purpose of building permanent structures such as pumping stations and water tanks.

Temporary land expropriation: The Project foresees temporary acquisition of 772 privately owned and 268 state-owned land plots located along the pipeline route. The types of losses also associated with such land acquisition include loss of right of way, loss of annual and perennial crops, and loss of business income during the construction period.

Furthermore, within the safety zone of the pipeline (several meters), the construction of any type of structures will not be allowed during pipeline exploitation.

Permanent land acquisition: It will be necessary to carry out complete expropriation of 8 privately owned and 3 state-owned land plots (all in the Municipality of Zenica) positioned in the location of planned structures for the purposes of building of permanent structures.

It is also likely that it will be necessary to temporarily occupy private land plots for purpose of construction of access roads and placement of staff, machines and material.

The Census and Socio-economic Survey were carried out in the period 23-26 April 2015 in all five municipalities covered by the Project.

The total number of households affected by the Project is 197 (of which 161 reside in the Project area, and 36 live elsewhere). The total number of businesses affected by the Project is 16.

Detailed information on affected people and properties will be provided in RAP.

3.1 Present Status of the Project and the Planned Expropriation Process

The Public Enterprise has commenced **preparatory activities** for the beginning of the expropriation process. The Expropriation Study for the Project was finalized in 2012 in line with the requirements of the Law on Expropriation. On the basis of this Study, the Project was declared to be of public interest in January 2013 by a decision of the Government of FBiH, following the adoption of cantonal level decisions on the feasibility of construction of the regional water supply system in 2012.

The **formal expropriation process** has not been initiated yet - the Public Enterprise, as the Expropriation Beneficiary, will submit a proposal for expropriation to the relevant municipalities when the estimated funds needed for expropriation are secured (in accordance with Art. 24 of the Law on Expropriation which stipulates that a condition to start expropriation is the existence of evidence that the required funds have been secured and deposited with the bank in the assessed total sum for payment or proof of existence of replacement properties). Following the formal initiation of the process, independent court experts for valuation of property will be selected by the municipalities.

4 Key Land Acquisition / Compensation Principles and Issues

The following principles of land acquisition and compensation have been committed upon by the Public Enterprise, and shall be adhered to during Project implementation:

1. **Land acquisition will be carried out in compliance with the Law on Expropriation of FBiH, the EBRD Environmental and Social Policy and internationally accepted good practice.** The Project will enable the consideration of micro realignments in order to avoid land acquisition where possible.
2. **All affected persons will be informed and consulted** during Project preparation and implementation. All owners/occupants will be visited and explained the land acquisition process, and the specific impacts on their land.
3. **A detailed Resettlement Action Plan (RAP) in compliance with PR 5 will be developed** and will include basic information about the project, project impacts, affected people and assets, entitlements for all categories of affected people, as well as a detailed budget and timetable.
4. The **cut-off date** for the establishment of eligibility (for both formal and informal land properties) **will be the date of submission of proposals for expropriation by the Public Enterprise.** Persons who have settled in the Project area after the cut-off date will not be eligible for any compensation.
The cut-off-date will be disclosed and disseminated publicly through publication in the daily newspapers, on public bulletin boards in settlements and consultation meetings in the concerned affected communities.
5. **All owners, occupants and users** of affected land at the time of the cut-off date, whether with or without fully recognized ownership rights, **are eligible for compensation and/or assistance:**
6. **Temporary occupation of land for construction purposes will be compensated** in accordance with the Law on Expropriation of FBiH, as stipulated in the Entitlements Matrix (Table 2 of this document).
7. **Livelihoods and standard of living of affected persons will be improved or at least restored to prior levels,** in as short a period as possible.
8. A **specific grievance management mechanism** has been established for the Project, and it involves independent third parties, as described in this RCF.
9. Issues related to **payment of cash compensation will be discussed and agreed with owners and all affected members** of households. Cash compensation will be paid in full or in instalments as agreed with the owners and affected members of the households and as defined by contracts, to the bank accounts specified by the owners. In cases where there is more than one owner of property (co-owners), compensation amounts will be divided and paid to the bank accounts they specify.
10. The Public Enterprise will **monitor the implementation of the land acquisition and livelihood restoration processes,** both through internal, official institutional arrangements, as well as through an independent, external monitor.

5 Compensation and Entitlements

5.1 Compensation and Assistance Arrangements

Compensation for permanent loss of land plot

Permanently affected properties shall be compensated at full replacement value through provision of cash compensation or similar replacement property. Replacement value is calculated as the market value of the property plus legal costs of acquiring another property, such as taxes and fees related to purchase of another property, registration in land registry, etc.

Compensation for loss of right of way

Owners/occupants of land shall be compensated for the loss of right of way in the amount of reduced market value of the property and for any damages on the property. Owners of crops affected by the Project, regardless of the type of occupancy of land, shall be fully compensated for any losses caused by the Project.

Compensation for businesses

In case when a business is affected, livelihood restoration assistance will be provided as compensation for income lost during the period of construction works, to be assessed on a case-by-case basis (i.e. based on accounting reports or other applicable documents / receipts).

Compensation for crops and trees

To the extent possible, land acquisition and land entry will be scheduled so that any standing annual crop, regardless of its development stage, can be harvested before the initiation of construction works. Annual crops that are harvested prior to land entry by the Public Enterprise shall not be compensated for. Annual crops that cannot be harvested prior to land entry or that are damaged by construction works shall be compensated for at full market value. Recent agricultural produce prices at municipal level should be applied.

Perennial crops and trees will be valued at the cost of replacement. The determination of the full replacement value requires consideration not only of the yield of the crop over one year, but also of the cost of re-establishing the plantation (seedlings, soil preparation, fertilizers, etc.), as well as of the lost income during the period needed to re-establish the crop.

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

Assistance to vulnerable persons

Assistance to vulnerable people shall include various activities, depending on a case-by-case screening to be carried out with support from the relevant municipal social departments. An indicative list of activities includes: individual meetings to explain eligibility criteria and entitlements, payment process (i.e. making sure that compensation documents and payment process are well understood), assistance in the post payment period to secure the compensation money and reduce risks of misuse or robbery.

5.2 Entitlements Matrix

Compensation entitlements for different categories of eligible persons and assets are summarized below in Table 2.

Table 2: Specific compensation entitlements

Type of Project affected right or property or loss	Applicable legal /policy framework	Entitlement	Process and specific conditions
Permanent loss of land plot (owners)	Law on Expropriation of FBiH EBRD Policy	<p style="text-align: center;"><u>Owners:</u></p> <p style="text-align: center;">Replacement² property: land plot of similar size and characteristics</p> <p style="text-align: center;">or</p> <p style="text-align: center;">Cash compensation for land plot at replacement value</p>	<p style="text-align: center;">Transfer of property right through amicable agreement or expropriation process in accordance with Law on Expropriation</p> <p style="text-align: center;">Provision of replacement value in accordance with EBRD Policy</p>
Permanent loss of land plot (1. Tenants and 2. Project Affected People (PAP) without formal land title)	EBRD Policy	<p>1. An equivalent area of leased land for unexpired lease period or reimbursement for unexpired lease period plus compensation for any land improvements (such as irrigation or structures) built on the land. Compensation to be paid at replacement value</p> <p>2 - PAP without formal land title occupying the area at the time of the cut-off date will not be compensated for land, but will be compensated for any assets on the land</p>	<p style="text-align: center;">Provision of compensation to be provided in accordance with EBRD Policy</p>
Temporary land occupation and losses	Law on Expropriation of FBiH EBRD Policy	<p style="text-align: center;"><u>Owners:</u></p> <p>Affected land and infrastructure will be restored to pre-project conditions</p> <p style="text-align: center;">+</p> <p>Cash compensation for temporary land occupation in the amount of lease at market prices</p> <p style="text-align: center;">+</p> <p style="text-align: center;">Cash compensation for lost assets (e.g. structures, trees)</p> <p style="text-align: center;">+</p> <p>Compensation at market value for loss of net income from subsequent crops that cannot be planted for the duration of temporary possession (e.g. compensation for harvests lost at average yield/hectare)</p> <p style="text-align: center;"><u>Informal users/occupants:</u></p> <p>Affected land and infrastructure will be restored to pre-project conditions</p> <p style="text-align: center;">+</p>	<p>Temporary land occupation and any damages to assets compensated in accordance with Art. 57 of the Law on Expropriation. Informal users/occupants of land plots affected by temporary losses are not entitled to cash compensation for temporary land occupation based on the Law on Expropriation, but shall be compensated for any losses and damages to assets/harvests on land owned by such users, including compensation for harvests lost.</p> <p style="text-align: center;">Compensation for damages during the period of temporary possession at replacement cost of material and labour without deduction for depreciation or salvageable materials.</p>

² Replacement value indicates market value of the property plus legal costs of acquiring other property, such as taxes and fees related to purchase of other property, registration in land registry etc.

		<p>Cash compensation for lost assets (e.g. structures, trees)</p> <p style="text-align: center;">+</p> <p>Compensation at market value for loss of net income from subsequent crops that cannot be planted for the duration of temporary possession (e.g. compensation for harvests lost at average yield/hectare)</p>	
Loss of right of way	Law on Expropriation of FBiH	<p>Compensation for reduced market value of the property</p> <p style="text-align: center;">+</p> <p>Compensation for any damages to the property</p>	Compensation for establishment of right of way on private property to be provided in accordance with Art. 56 of the Law on Expropriation
Loss of annual crops (land owner or tenant)	Law on Expropriation of FBiH	<p>The right to harvest crops or (if harvesting not possible)</p> <p>Cash compensation for annual crops at replacement value</p>	Cash compensation for the crops will be provided only if the annual crops could not be harvested before expropriation takes place, in accordance with the Law on Expropriation of FBiH (Art. 55). If that is not possible (e.g., the crops are not ripe yet), the land owner/tenant is entitled to cash compensation at full replacement cost of the crops.
Loss of perennial crops (land owner or tenant)	Law on Expropriation of FBiH	<p>The right to pick fruits, vegetables, etc.</p> <p style="text-align: center;">+</p> <p>Cash compensation for perennial trees/plants at replacement value</p>	<p>Compensation must include all trees and plants, and the court expert assesses their value depending on the age, type, etc. (Art. 50 of the Law on Expropriation)</p> <p>If the perennial crops cannot be harvested, the owner is entitled to cash compensation for the expected crops, in accordance with the Law on Expropriation</p>
Loss of business income (formal or informal businesses)	Law on Expropriation of FBiH EBRD Policy	<p style="text-align: center;"><u>Formal businesses:</u></p> <p>Compensation for loss of profits incurred as a result of Project activities until the full restoration of business activities, to be assessed on a case-by-case basis (based on accounting reports or other applicable documents)</p> <p style="text-align: center;">+</p> <p>Compensation for any transitional costs (e.g. the cost of the transfer and reinstallation of the plant, machinery or other equipment)</p> <p style="text-align: center;">Informal businesses:</p> <p>Assistance to informal businesses to regularize their status</p> <p style="text-align: center;">+</p> <p>Compensation for commercial losses incurred as a result of the Project, i.e. reduced income or loss of income due to access restrictions.</p>	<p>Provision of compensation for formal businesses according to Art. 54 of the Law on Expropriation. Compensation for informal businesses is not regulated by local legislation, and such businesses will be individually consulted and provided free legal assistance in regularizing their status to allow for provision of compensation based on the Law on Expropriation.</p>

6 Disclosure of Information and Public Consultations

The requirements for disclosure of Project relevant information and public consultations have been set out in the **Stakeholder Engagement Plan (SEP)** prepared by the Public Enterprise for the purpose of enhancing stakeholder engagement throughout the life cycle of the Project, and carrying out stakeholder engagement in line with national laws and the EBRD's requirements.

All information on the Project will be made available to the public prior to the start of the Project, through:

- disclosure of information on the website of the Public Enterprise (www.jprvplavavoda.ba),
- Project Information Sheets or "Project Postcards", delivered to the household addresses of affected people and LCOs and posters at the LCO locations
- providing printed copies of Project documents which will be available in the building of the Company and the local community offices covered by the Project
- individual visits to directly affected households and businesses to inform them about the impacts of the Project on their respective land plots, particularly the precise pipeline route with regards to each land plot
- facilitation of access to information and assistance for vulnerable groups as appropriate for each person/family according to their specific needs and/or situation
- public consultation meetings in the Project area with the affected people and communities (at least one meeting prior to commencement of construction activities and continuously every 6 months during Project implementation)
- public hearings in line with legal requirements of FBiH to consult the public with regards to the contents of the EIA and other documents
- neighbourhood consultative meetings aimed at engaging individuals, households and businesses affected by the construction activities into the consultation process
- individual consultative meetings aimed at engaging individual stakeholder groups regarding specific issues and on a need basis

7 Implementation of the RCF

7.1 Implementation Responsibilities

The initial RCF was adopted in July 2011 by the Public Enterprise and disclosed to public through the website of the Public Enterprise³. Therefore, all parties involved in the Project, including the Public Enterprise and the Contractor, are required to implement the requirements of this RCF.

Responsibilities will be shared between the Public Enterprise, the Contractor and other involved agencies, according to the following table:

Table 3: Organizational responsibilities and arrangements

Task	Responsible Entity
Information disclosure to all Project Affected People and communities	Public Enterprise
Direct communication with and visits to owners and occupants	Public Enterprise and the involved municipalities
Negotiations and expropriation activities, prior to construction commencement	Public Enterprise as the expropriation beneficiary and the involved municipalities
Provision of assistance to vulnerable persons / households	Public Enterprise in cooperation with the municipal departments responsible for social care, displaced persons and refugees)
Payment / provision of compensation packages	Public Enterprise
Monitoring and reporting with respect to expropriation	Public Enterprise
Monitoring and reporting in respect of temporary land occupation carried out after construction commencement	Contractor
Grievance management	Public Enterprise, Grievance Commission

7.2 Costs

The costs of the land acquisition process will be financed through a loan from the Council of Europe Development Bank (CEB).

The expropriation budget for the needs of construction of the pipeline is estimated at app. 4.6 million KM, based on the findings of the aforementioned Expropriation Study. The detailed budget structure per municipality is provided in RAP.

7.3 Monitoring and Reporting

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

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

³ <http://jprvplavavoda.ba/index.php/2015-02-04-13-26-28/pdf-dokumenti>

- Overall spending on expropriation and compensation
- Number of Project Affected People by categories
- Number of public meetings and consultations with affected people
- Number and percentage of individual compensation agreements signed before the beginning of construction activities
- Types of assistance provided to vulnerable individuals/households in a timely manner
- Number of people having received cash compensation in the period with distribution by compensation type and by classes of amounts
- Number and amount of payments that restore loss of income
- Number and type of grievances, including any court cases, related to land acquisition (submitted and resolved and how long it took for them to be resolved)

8 Grievance Mechanism

First Tier of Grievance Management

The Public Enterprise will establish a registry of grievances. Project Affected People will be able to submit grievances directly with the Public Enterprise or the Contractor (a sample grievance form is attached as Annex 1 to the RCF). All grievances will be recorded in a register and assigned a number, and acknowledged within seven (7) calendar days.

Each grievance will be recorded in the registry with the following information:

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

The Public Enterprise will make all reasonable efforts to address the complaint upon the acknowledgement of grievance. If the Public Enterprise is not able to address the issues by immediate corrective action, a long-term corrective action will be identified. The complainant will be informed about the proposed corrective action and follow-up of corrective action within 25 days upon the acknowledgement of grievance.

If the Public Enterprise is not able to address the particular issue raised through the grievance mechanism or if action is not required, it will provide a detailed explanation/justification on why the issue was not addressed. The response will also contain an explanation on how the person/organization which raised the complaint can proceed with the grievance in case the outcome is not satisfactory.

Second Tier of Grievance Management

If the complainant is not satisfied with the implemented corrective action and/or a justification on why the corrective action is not required, the complaint will be directed to the Grievance Commission. The Grievance Commission will be established for the Project and comprised of one representative of the Enterprise (other than the person directly involved in resolving the grievance described in the previous steps) and one representative of the relevant municipality affected by the Project and selected by the municipality officials. Additionally the Commission may include a representative of Cantonal authorities or representative of Project Affected People, if deemed necessary.

The Commission will re-evaluate previously carried corrective action and/or the justification on why an action is not required, and reconsider alternatives to address the complaint on the satisfactory manner.

The complainant will be informed about the proposed alternative corrective action and follow-up of alternative corrective action within 25 days upon the acknowledgement of grievance.

In case that no amicable agreement can be reached at the first two tiers, grievance can at any time be handed over to the basic municipal court in charge.

Grievances need to be sent on the addresses provided in the contact information below.

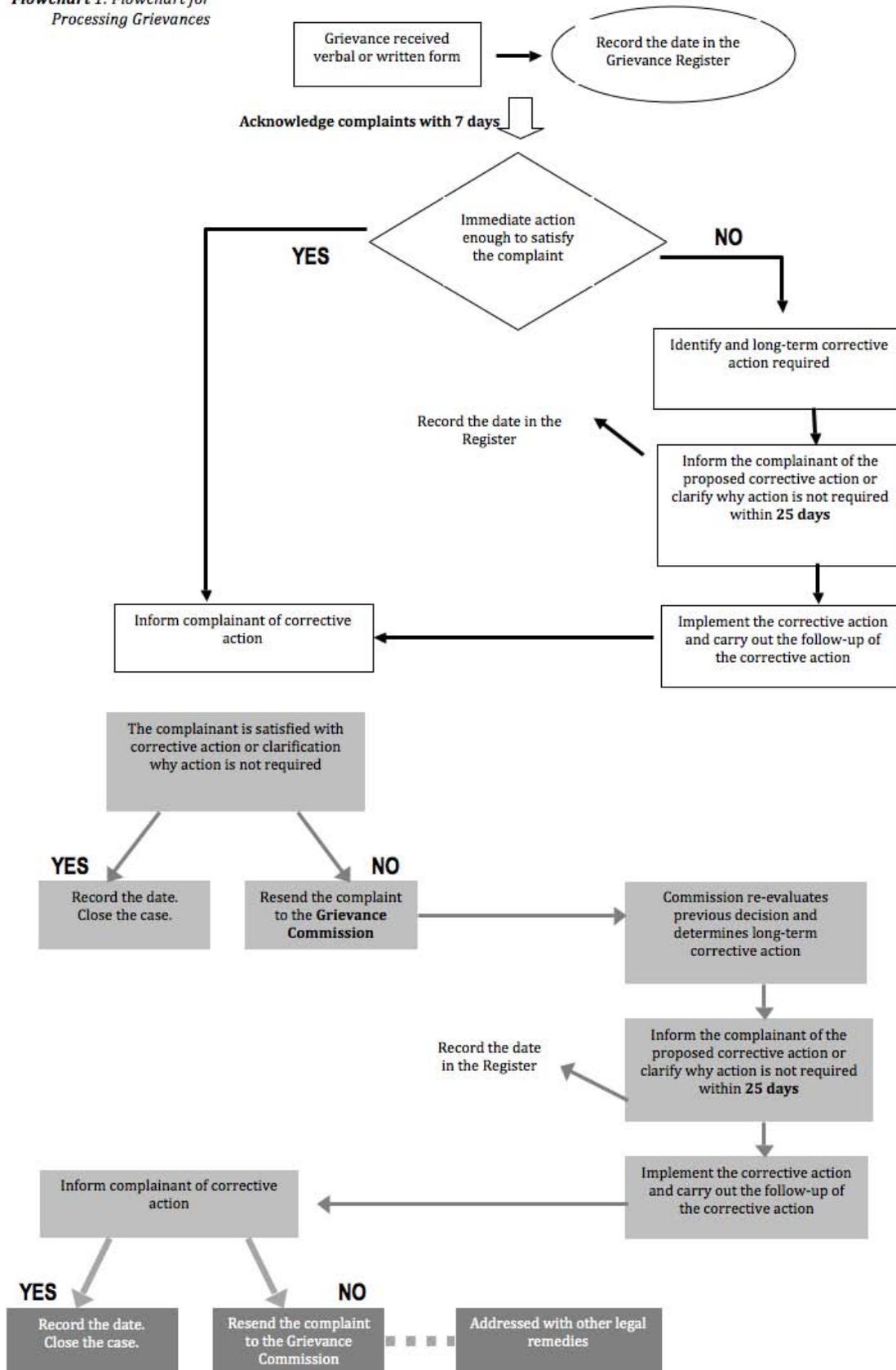
At all times, complainants may seek other legal remedies in accordance with the local legal framework.

Contact information for grievances:

Contact person: Ernad Granic
Address: Zenjak bb, Travnik
Tel: +387(0) 030 511 133
Fax: +387(0) 030 511 132
E-mail: prv.plavavoda@bih.net.ba
Web: <http://www.jprvplavavoda.ba>

Annex 1. Flowchart for Processing Grievances

Flowchart 1: Flowchart for Processing Grievances



Annex 2. Grievance Form

Reference Number:	
Full name	
Contact information Please mark how you wish to be contacted (mail, telephone, e-mail).	<input type="checkbox"/> By Post: Please provide mailing address: _____ _____ <input type="checkbox"/> By Telephone: _____ <input type="checkbox"/> By E-mail
Preferred language for communication	<input type="checkbox"/> Bosnian / Serbian / Croatian <input type="checkbox"/> English (if possible)
Description of Incident for Grievance What happened? Where did it happen? Who did it happen to? What is the result of the problem?	
Date of Incident / Grievance	
	<input type="checkbox"/> One-time incident/grievance (date _____) <input type="checkbox"/> Happened more than once (how many times? ____) <input type="checkbox"/> On-going (currently experiencing problem)
What would you like to see happen?	

Signature: _____

Date: _____

Please return this form to:

PUBLIC ENTERPRISE REGIONAL WATER SUPPLY "PLAVA VODA"

Note: Grievance for Plava Voda Regional Water Supply System

Address: Zenjak bb, 72270 Travnik, BiH

Telephone: +387(0) 30 511-133

Fax: +387(0) 30 511-132

E-mail: prv.plavavoda@bih.net.ba