



**PROJECT: HYDROPOWER PLANT “BOSKOV
MOST”**

**LAND ACQUISITION AND COMPENSATION
FRAMEWORK**



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TABLE OF CONTENT

1	Introduction.....	4
2	Project description	6
3	Legal framework	7
3.1	Macedonian law.....	7
3.1.1	Key definitions	7
3.1.2	Macedonian Expropriation Law.....	7
3.2	EBRD requirements under PR5.....	9
4	Areas of land acquisition for HPP Boskov Most	10
4.1	The Dam and Reservoir Area	12
4.2	Areas Impacted by Other Project Components	12
4.3	Overall Land Acquisition Needs	12
5	Planned impact minimization and mitigation	14
6	Development of the detailed lacp	16
6.1	Content of LACP.....	16
6.2	Census of Affected Assets and Affected People	16
6.3	Implementation Arrangements	18
7	Mechanisms for managing complaints	18
7.1	Registration of complaints.....	18
7.2	Review and updating of complaints.....	20

Table of figures

Figure 4-1	Map of elements of HPP Boskov Most	11
Figure 5-1	Direct affected location in Tresonche	15
Figure 5-2	Proposed dislocation of the chapel and the sportground.....	15

Table of tables

Table 1-1	Timeline of proposed activities of HPP Boskov Most:.....	5
Table 4-1	Preliminary design 2002 for HPP Boskov Most (Volume11-Expropriation and Indemnification).....	12
Table 4-2	Recapitulation of surfaces for objects for HPP Boskov Most	13

ABBREVIATIONS

ELEM	AD ELEKTRANI NA MAKEDONIJA
EBRD	European Bank for Reconstruction and Development
HPP	Hydro Power Plant
PR	Performance Requirement
LACF	Land Acquisition and Compensation Framework
LACP	Land Acquisition and Compensation Plan
DPLR	Department for Property-Legal Relations (Ministry of Finance)
PAP	Project Affected Persons

1 Introduction

ELEM intends to expand the energy system in Macedonia by building HPP Boskov Most. The project provides for the construction of a Hydroelectric Power Plant of 70MW, a dam and small reservoir, as well as water intakes on six smaller rivers that will be associated with pipelines and a tunnel.

Potential impacts of the project on the environment and social setting are assessed in the Environmental and Social Impact Assessment (ESIA) which was developed to meet the requirements of Macedonian regulations and EBRD environmental and social policy requirements.

During the preparation of the ESIA, it has been established that the land acquisition for the reservoir and other project components will impact privately and publically held lands as well as some structures including some residential housing. In Tresonce, the village nearest to the reservoir, several houses, a derelict barn, a small chapel, parts of a graveyard and some 18 ha of meadows and forests will potentially be affected by the flooding of the reservoir. However, alternative designs are still being considered at the time of writing in order to further avoid or minimize impacts of project-related land acquisition.

Because there are people living in the area and own land and other assets that the reservoir and other project components may potentially impact, they will be affected by expropriation under Macedonian laws, which require compensation to be paid at least to the equivalent or higher value than the land and properties that are impacted. EBRD requirements for Land Acquisition also apply to this project and are described in EBRD's Performance Requirement 5 (PR5).

This Land Acquisition and Compensation Framework (LACF or Framework) has been prepared to serve as a guide for future activities related to relocation and compensation activities. The final design not being available at the time of writing, best efforts have been made to estimate the potential adverse impacts resulting from land acquisition. This framework will form the basis of a more detailed and final Land Acquisition and Compensation Plan (LACP) to be developed once final designs are available and impacts can be fully predicted.

The Framework is based on the following sources of information:

- Preliminary Design (2005) for HPP Boskov Most for installation of 70MW, which shows the layout of all predicted facilities for the construction of the project;
- Digital plans taken by the Agency for Real Estate (2007), showing the parcels on which the facilities will be placed;
- Field Measurements with two frequency GPS in 2011; and
- Visits to the sites and discussions with the local population (March-May 2011)

Table 1-1 Timeline of proposed activities of HPP Boskov Most:

		HPP BOSKOV MOST PROJECT ACTIVITIES						
		Environmental and social impact assessment study (ESIA)	ESIA public consultation (Macedonian Requirements -30 days)	ESIA public consultation (EBRD Requirements -120 days)	Final Design	Contract award	Construction Period on site	Power plant operating start
Timeline of Activities	Activity STARTS	Feb'11	Jul '11	Jul '11	Oct'11	Dec'11	Feb'12	May'16
	Activity ENDS	Jun'11	Jul'11	Oct'11	Dec'11	Dec'11	Feb'16	n/a
	Duration (Months)	5	1	4	3	4	48	n/a
Primary Stakeholders	Investors	√	√	√	√	√	√	√
	Governmental institutions	√	-	-	√	-	√	√
	Local Self Government	√	√	√	√	-	√	√
	Governmental Agencies and Scientific Institutes	√	-	-	√	-	√	√
	Directly affected residents / property owners and related community based organizations	√	√	√	-	-	√	√
	Employees & Contractors	-	-	-	√	√	√	√
Secondary stakeholders	Civic organizations	√	√	√	-	-	√	√
	Private sector / Business Associations	√	-	-	-	-	√	-
	Religious Institutions	√	√	√	-	-	√	-
	Indirectly affected residents / property owners	√	√	√	-	-	√	√
	Media	√	√	-	-	-	√	√
	General Public	√	√	√	-	-	√	√

The aim of this Framework is to establish the principles that ELEM is committed to for managing any land acquisition-related project impacts. These include the following:

- ✓ To avoid as much as possible or minimize the expropriation of the land from the population,

- ✓ If expropriation is necessary, to provide the population with the same living conditions as they had until the moment of expropriation,
- ✓ To define a transparent and equally applicable methodology for financial compensation for the lost property that meets replacement value,
- ✓ To restore the sources of income of the population with expropriated property to the same level as before the beginning of the project,
- ✓ To mitigate the adverse social and economic consequences of land acquisition, and
- ✓ To communicate and engage proactively with the affected people and provide a land acquisition-specific grievance mechanism.

2 Project description

The developer of the Project, ELEKTRANI NA MAKEDONIJA AD (further referred to as “ELEM”), is a State owned company engaged in electrical power generation. ELEM is planning to construct a Hydro Power Plant (HPP) at Boskov Most to provide a peak load generation capacity for up to 5 hours per day. Mostly using the Mala Reka River and its tributaries, HPP Boskov Most will be located in the west region of the Republic of Macedonia, about 12 km away from the city of Debar. The land included in this project lies mainly within the municipality of Mavrovo –Rostuse and the remainder lies within the municipality of Debar. A significant part of the project falls within the boundary of Mavrovo National Park.

The project components to be constructed are:

- a dam to form a reservoir (lake);
- water intakes on all significant streams of the Mala Reka river basin;
- diversion channels, the main supply tunnel, pipelines and a surge tank;
- a turbine powerhouse; and
- a transformer station and connection in to the main electricity transmission grid.

There will be associated construction infrastructure that will be temporary, including work camps for employees and site management, as well as access roads where necessary. The construction period is projected to be four years.

The hydropower intake structures of HPP Boskov Most are envisaged to collect the mountain watercourses originating from the south-west mountain sides of Bistra, within the Mavrovo national park and the north-east mountain side of Stogovo.

The waters of the Mala Reka River will be used for power generation and discharged back into the river, just before it flows into the Radika River, 10 km upstream from the confluence of the Radika with the Crn Drim River. The water from the Mala Reka and its tributaries, (via covered channels, siphons and tunnels), will be taken to a reservoir created behind a dam. The dam and the reservoir are in the territory of the villages of Tresonce and Selce. Water

from the reservoir will be taken by a tunnel to the power house of HPP located some 9kms down the valley (and 360m lower).

The dam will be constructed at the river Jadovska Reka inflow into the river Tresonecka Reka, below Tresonce village. The dam is 33.8 m high and provides a useful reservoir volume of 858 000 m³ which represents water reserves for several days. The main tunnel length is 8742m long and has a diameter of three metres.

The Project structures are mainly located in unpopulated areas. According to the Census in 2002, and current estimates based on interviews with local residents in 2011, most of the impacted villages have less than 10 permanent residents (Gari has 10 permanent residents; Tresonce 8; Osoj 6; and Lazaropole, Rosoki, Selce, and Susica have no permanent residents). However, during the spring, summer and early autumn almost all houses within these villages are occupied. Pensioners (mainly born there) are present in these villages throughout the summer and younger people use the property during weekends and vacations. People who are employed use their properties for leisure, spending weekends there. The majority of property owners live in Skopje, with some based in Gostivar and Tetovo, and a few are based abroad.

3 Legal framework

3.1 Macedonian law

3.1.1 Key definitions

Expropriation is a revocation or limitation of the right to private property with compensation which is conducted with a specific act of the state organ or by the people and for which the owner subject to expropriation will receive a fair monetary compensation. *The expropriation, regardless the nationalization which is conducted by the state over the private property of its citizens, is based on socially motivated confiscations of any type of private property, not only real estates. It is conducted in cases such as: construction of roads, railways, channels, mines, settlements, industrial objects, energetic objects etc.*

Adequate monetary compensation means compensation not lower than the market value of the property.

3.1.2 Macedonian Expropriation Law

The expropriation law manages (i) the process of expropriating property(land, buildings and other facilities such as real estate, (ii) the rights deriving from this law for the construction of objects and other matters of public interest, and (iii) the determination of fair compensation for expropriated property (Official Gazette no. 33/95, 20/98, 40/99, 31/03, 46/05, 106/08, 76/10).

The construction of HPP Boskov Most, is deemed to be of national interest. So where appropriate, expropriation is the means by which ELEM will need to acquire property and land for the project.

Under Macedonian Expropriation Law, the expropriation of land begins with a proposal for expropriation. A proposal for expropriation is submitted by the entity seeking the expropriation (in this case ELEM, the Company, or the Project) to the Department for Property-Legal Relations (Ministry of Finance), the national authority for expropriation.

The proposal for expropriation contains data about the Project and required land expropriation, details about the land, land uses and assets located thereon, and about the owners of the properties in question.

With the proposal for expropriation the following documents are also submitted:

- Extract from the Act on Spatial Planning, numerical data on the properties for which expropriation is proposed,
- The type and amount of compensation offered for the properties for which expropriation is proposed,
- Proof of availability of funds for compensation
- Proof of ownership of the replacement property offered as compensation.

The expropriation proposals shall be submitted to the Department for Property-Legal Relations (DPLR) , which in turn submit these proposals with all the supporting documentation to the affected owners of immovable property and to the authorized body for the management of public records (in this case the Agency for Cadastre of Real Estate). Then the DPLR schedules hearings, with the affected owner and the beneficiary of the expropriation. The hearing ends with the signing of the compensation agreement.

This type of agreement has legal force of law, and the procedure for expropriation and determination of the amount of compensation are considered completed at this point. Payment Solutions are signed by committee members, and payments to former owners are executed immediately by the beneficiary of the expropriation.

If a solution cannot be reached, as proposed for expropriation, the DPLR decides, whether to adopt the proposal for expropriation anyway. Appeal against this decision can be made by lodging to the Commission of the Government of Republic of Macedonia. Appeal against this decision can be lodged to the Administrative Court of Republic of Macedonia. This decision is final.

The DPLR is then responsible for submitting the signed agreements and the decisions taken to the Cadastre, for entering the change of ownership of expropriated property.

If during the expropriation of one part of the property it is determined that the owner has no economic interest to use the rest of the property, or if because the rest of the property is in disrepair or with significantly worse conditions of living and work, on his request the remain part it will be expropriated.

As remaining part in terms of this paragraph shall be considered the rest of the parcel, part of immovable property or part of the entire remaining property which is not expropriated.

The official worker who leads the expropriation process is required to advise the owner that he may apply for the expropriation of the remaining part.

The request for the expropriation of the rest of the estate may be submitted until a first instance decision for expropriation and if the owner was not advised, until the final legal decision for expropriation.

Request for expropriation of the remaining part can be submitted within three years from the date of completion of the object or the works for which the expropriation was carried out

3.2 EBRD requirements under PR5

Land Acquisition and Compensation for this project will be carried out in accordance with EBRD's 2008 Environmental and Social Policy and Performance Requirement 5 on Land Acquisition, Involuntary Resettlement and Economic Displacement¹.

The objectives of this PR are:

- to avoid or, at least minimise, involuntary resettlement wherever feasible by exploring alternative project designs;
- to mitigate adverse social and economic impacts from land acquisition or restrictions on affected persons' use of and access to land by: (i) providing compensation for loss of assets at replacement cost; and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected;
- to improve or, at a minimum, restore the livelihoods and standards of living of displaced persons to pre-project levels, through measures that can be enterprise-based, wage-based and/or enterprise based, so as to facilitate sustainable improvements to their socio-economic status; and
- to improve living conditions among displaced persons through provision of adequate housing with security of tenure at resettlement sites.

It is important to note that the requirements in this PR apply to physical or economic displacement that can be full, partial, permanent, or temporary. Further, people affected may include those who have legally recognisable rights or claims to the land, those with customary claims to the land, those with no legally recognisable rights or claims to the land, seasonal resource users such as herders/fishing families, hunter and gatherers who may have interdependent economic relations with communities located within the project area.

Affected persons shall be given the opportunity to participate in the negotiation of the compensation packages, eligibility requirements, resettlement assistance, suitability of proposed resettlement sites and the proposed timing.

¹ http://www.ebrd.com/downloads/about/sustainability/ESP_PR05_Eng.pdf

As required by national Law, EBRD also requires that the project engages a suitably qualified specialist to carry out a census and a socio-economic baseline assessment within a defined affected area, and assist in the preparation of the detailed and final Land Acquisition and Compensation Plan (LACP).

4 Areas of land acquisition for HPP Boskov Most

This section of the Framework describes the areas expected to be adversely impacted by land acquisition, as they are known today, temporarily during the construction and permanently during operation of HPP Boskov Most. This information is be subject to change, however, as final designs are still being developed and consultation with affected stakeholders as to how to avoid or minimize impacts to land/property owners is still underway.

In summary, the key areas where mitigation and compensation are currently anticipated to become necessary include the following:

- ✓ Agricultural land in various areas,
- ✓ A small chapel (*Sveta Paraskeva*) near Tresonce and Selce,
- ✓ A derelict barn in the same area,
- ✓ Tresonce's graveyard,
- ✓ Five houses that are used for weekends and vacations in Tresonce,
- ✓ One house with one permanent resident in Tresonce, with a disused barn,
- ✓ Four houses that are used for weekends and vacations in Rosoki,
- ✓ An open air space currently used as a place for gathering of the local population for their tradition festive events. This is located in the meadow around the chapel which will be flooded with the construction of the dam and the reservoir.

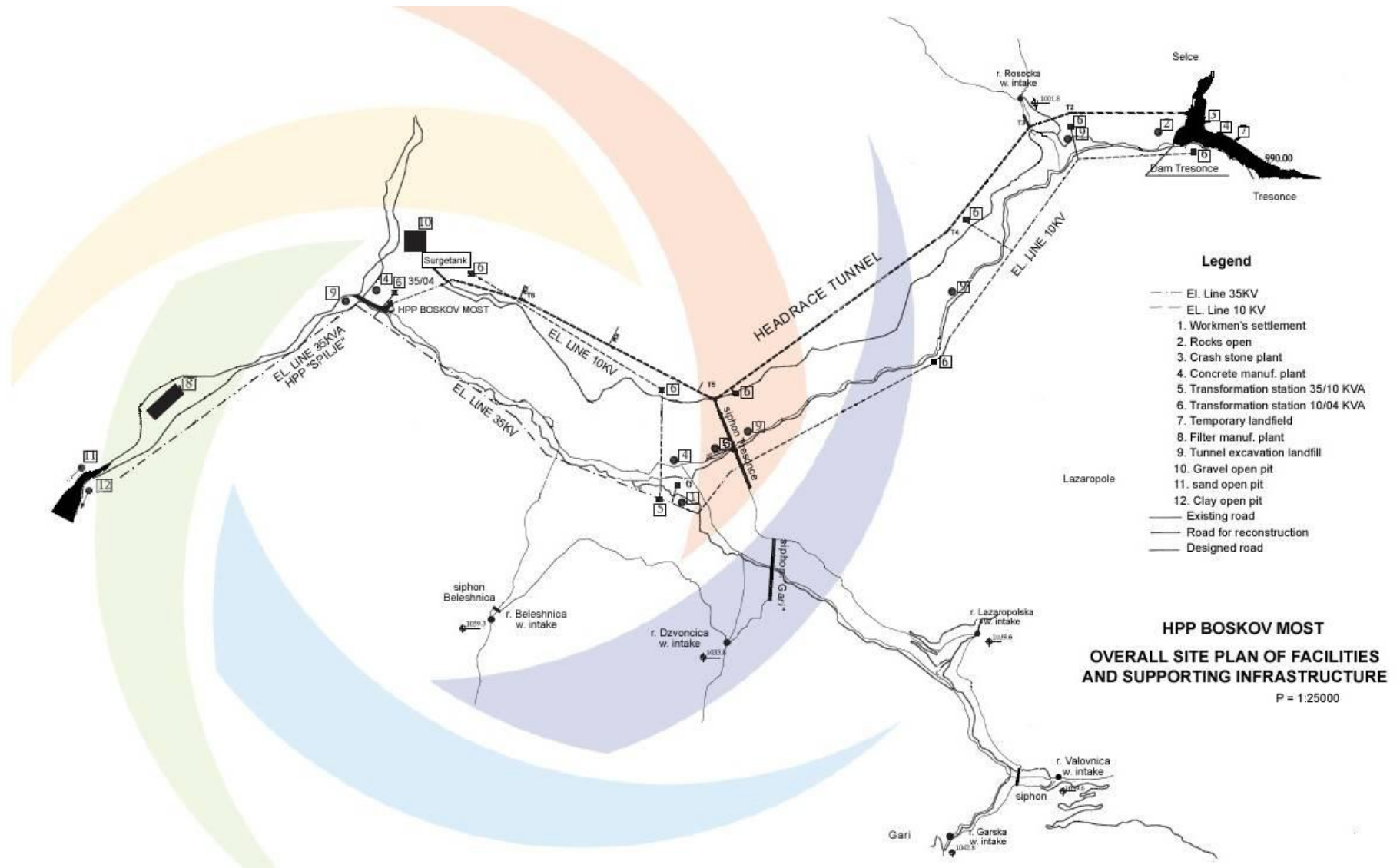


Figure 4-1 Map of elements of HPP Boskov Most

The land to be acquired for this project lies mainly within the municipality of Mavrovo-Rostuse and the remainder lies within the municipality of Debar.

In some locations there are arable areas that are privately held and that will need to be assessed in terms of quality (class and types of cultivation) and size to ensure that the owners will get appropriate compensation in line with the regulations.

4.1 The Dam and Reservoir Area

There is a local small chapel (Sveta Paraskeva stone/brick building of about 15 m²) in that same area, which is well maintained and used. Consultations between ELEM and local religious authorities have been carried out and it has been agreed that the chapel will be relocated or a new one built at a new location that has been proposed. In the same area is an open air space that the local inhabitants are traditionally using as a meeting place on the occasion of some celebrations. An alternative space will need to be provided for those social gatherings in accordance to the tradition.

A section of the road to Tresonce village will be submerged and therefore this part needs to be moved above the reservoir in order to enable proper access to the village.

There is a local graveyard in the reservoir area that is likely to be affected and may need to be moved to a nearby location, around the road, to an area that will not be submerged in the future during incidents of high waters.

In the reservoir area, there is also a 10kV power transmission line, which will need to be relocated. The telephone line also requires relocation.

4.2 Areas Impacted by Other Project Components

In addition, land is going to be acquired for other project components, including land that will be used for the construction camp and Boskov Most HPP itself. Little, if any, of this land is used for agriculture but there are a few hectares of pasture that will require replacement pastures or cash compensation.

4.3 Overall Land Acquisition Needs

From the data gathered from the preliminary design for expropriation for Boskov Most the major part of expropriated land is owned by the Government and about 18 % is privately owned land. According to the design documentation around 22 ha, will be flooded by the reservoir, i.e. 7ha of forest and 15ha of meadows and pastures.

Table 4-1 Preliminary design 2002 for HPP Boskov Most (Volume11-Expropriation and Indemnification)

Cadastral Municipality of	Forest	Meadows	Pastures	Tilled soil	Orchards - gardens
Tresonce	1.22	2.23	5.71	1.95	0.62
Selce	5.19	2.31	1.12	0.50	1.12
Rosoki	10.93	0.71	3.63	0	0
Lazaropole	10.62	0	0	3.08	0
Susica	1.20	0	0	0	0

Cadastral Municipality of	Forest	Meadows	Pastures	Tilled soil	Orchards - gardens
Mogorce	13.73	0	0.36	0	0
Osoj	21.35	1.66	3.0	0.29	0
Gari	16.36	0.21	0.96	0	0.15
Dolno Kosovrsti	1.25	1.41	0	0.27	0
Parezi	0	0	1.21	1.01	0

Table 4-2 Recapitulation of surfaces for objects for HPP Boskov Most

No.	Object	Cadastral community	Surface Ha
1	Reservoir with dam objects	Tresonce	11.78
		Selce	10.46
		Total:	22.24
2	Dam "Rosoki"	Rosoki	4.37
		Total:	4.37
3	Plant, mechanical circle, pipeline	Dolno Kosovrasti	2.92
		Total:	2.92
4	Left supply channel	Gari	3.13
		Osoj	13.54
		Mogorce	1.44
		Total:	18.12
5	Channel "Valavnica"	Gari	2.57
		Total:	2.57
6	Right supply channel	Lazaropole	13.26
		Gari	11.11
		Total:	24.37
7	Siphon "Tresonce"	Osoj	1.64
		Total:	1.64
8	Siphon "Gari"	Gari	1.36
		Lazaropole	0.44
		Total:	1.80
9	Access road Osoj - Tresonce	Osoj	3.60
		Rosoki	3.18
		Total:	6.79
10	Access road to surge tank	Rosoki	2.48
		Mogorce	12.65
		Osoj	0.90
		Susica	1.20
		Total:	17.23
11	Access road Rosoki-Reciste	Rosoki	5.34
		Total:	5.34

No.	Object	Cadastral	Surface
12	Factory for concrete with separation	Osoj	1.70
		Total:	1.70
13	Landfill for clay	Paresi	2.21
		Total:	2.21
14	Workers camp Osoj	Osoj	4.95
		Total:	4.95
Total for HPP Boskov Most :			116.32 Ha

The exact number of impacted people will have to be determined after the detailed survey, which will determine the exact number of land and property owners and land users live/work in the areas and on the lands to be expropriated.

5 Planned impact minimization and mitigation

Measures that are planned include:

- In places where parts of the road leading to the village of Tresonce will be submerged by the reservoir, an adequate solution will be provided by moving the affected section and breaking out a bypass route above the projected reservoir.
- The road that leads to the village Selce is planned to be traced on the crown of the dam, and then continue along the reservoir, which may become an attractive site for visitors who want to enjoy nature, hunting and fishing.
- Thus, the reconstruction or improvement of road infrastructure impacted by the project which lead to the settlements will provide for continued access.
- Replacement of the location which is traditionally used for celebrations and creation of a new social gathering space including a sports playground.
- Relocation of the graveyard to a new location near the existing one.
- Designation of a suitable location for the reconstruction of the submerged chapel.
- Relocation and reconstruction of the underground and overground installations (telephone and electric supply).



Figure 5-1 Direct affected location in Tresonche

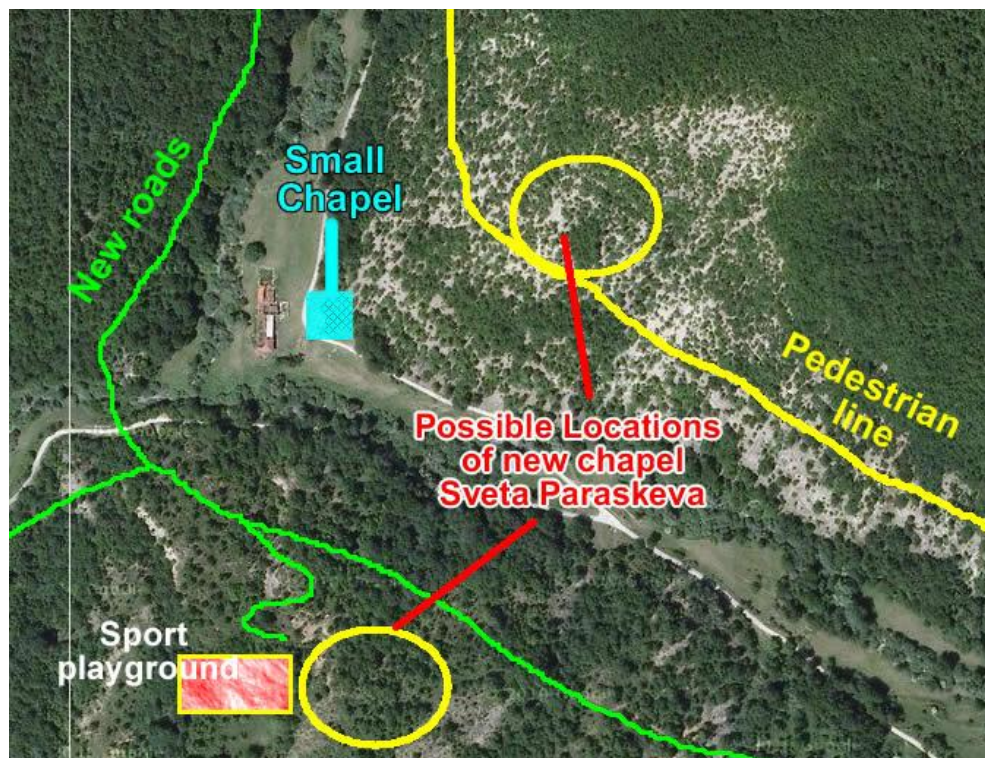


Figure 5-2 Proposed dislocation of the chapel and the sportground

All these measures should be implemented in accordance with the legislation of the Republic of Macedonia and EBRD requirements, as well as in accordance with standards for the installation of adequate infrastructure.

On completion of construction, progressive rehabilitation of the construction sites in areas that will not be used for permanent infrastructure (house, parking, tracks to recreation area etc.) or that are not inundated, will be undertaken, by replacement of topsoils, contouring of the landform and re-vegetation as soon as possible after their disturbance.

6 Development of the detailed LACP

The development of Land Acquisition and Compensation Plan will require as a first step the identification of all the parcels and more precise definitions of the boundaries according to the cadastral records. Where no proper documentation exists to prove ownership, additional data will be sought from the Agency for Real Estate Cadastre, branches of Gostivar or Debar and necessary efforts will be undertaken by the Project to formalize the land ownership and regularize the documentation required.

6.1 Content of LACP

More specifically, the LACP will include:

- A complete census of Project Affected Persons (PAP) and affected assets, allowing the establishment of a sound categorization of affected people (land owners, types of land uses, residential PAP and businesses if applicable, land owners/users with and without expropriation rights, etc.),
- A resettlement and compensation strategy, including:
 - A description of entitlements (entitlement matrix – who gets what benefit, based on the categorization of PAP mentioned above),
 - A description of proposed land replacement, compensation, and resettlement housing if applicable,
 - Land and/or housing allocation arrangements,
 - The description of other benefits as appropriate (compensation for lost harvests and/or assets, for moving, and any other allowances),
- Specific provisions related with:
 - Livelihood restoration,
 - assistance to vulnerable groups and vulnerable people,
 - consultation, disclosure of information and grievance management,
- A description of the proposed arrangements for implementing the LACP, including the allocation of implementation responsibilities, a budget and a timeline coordinating LACP activities with construction activities and the resulting land acquisition schedule.

The development of the LACP will be based on the principles and commitments laid out in this Framework.

6.2 Census of Affected Assets and Affected People

The census will include the following two components:

- Immoveable assets:
 - Cadastral identification and coordinates of land plots and assets located on these land plots,

- measurement of the plot (affected part and remainder if it is partially affected),
 - identification of any trees and any structures on the affected plots,
 - description of all structures (surface area, materials, standing, condition),
 - description of the ownership regime in relation to current occupation: Are the occupants or users legally entitled – and if yes on what basis, i.e. ownership, lease, tenancy; or are they occupying or using on an informal basis;
 - estimate of the value of the affected properties at replacement value based on justifiable references
- A socio-economic survey on affected people (both physically and economically displaced), aiming at gathering the following socio-economic information:
 - The household composition (who owns the land and/or lives in the affected residence if applicable), with ages, activities and vulnerability status (handicaps, chronic diseases, elderly, etc.),
 - A description of the household economic status (inventory of the household's main moveable assets – furniture, home appliances, etc., economic activities, categorization of income),
 - A description of the extent to which the current economic and social circumstances of the household are dependent on their current land holdings/uses and location, a critical factor to understand the potential impact of land acquisition and/or resettlement to another location,
 - Compensation preferences (cash compensation or replacement land, or – where applicable - assisted resettlement, and if resettlement is preferred location, type of housing, etc...).

The results of the census and socio-economic survey will be inputted into a simple database to be used at the implementation stage and for socio-economic monitoring purposes.

The census will be used to establish a “cut-off” date: any structure observed to be established in the land area to be acquired by the Company after the date of the census will not be eligible to any form of compensation. The survey experts together with Company will give notice to interested local authorities and provide information ahead of the census.

Based on the results of the census and socio-economic survey, a categorization of PAPs, land holdings and assets should be established based on relevant criteria, for instance:

- PAPs with titled ownership / PAPs with non-legalised ownership,
- Land uses/Residential structures / Other structures,
- Owners / Tenants / Other occupants,
- Activities and small businesses.

6.3 Implementation Arrangements

A detailed table of tasks to be undertaken will be prepared, with the proposed allocation of responsibilities for each task. Implementation mechanisms will be clarified, in respect of budgeting and payment of compensation, and construction. Based on the above as well as on an assessment of compensation cost (and resettlement cost if required), an itemised and justified budget will be presented in the LACP, together with a detailed implementation schedule consistent with project construction milestones.

7 Mechanisms for managing complaints

7.1 Registration of complaints

The authorities for expropriation schedule a hearing on the proposal for expropriation, on which they call the owner, the owners of other property rights to real estate and the beneficiary of expropriation. On the debate is especially determined the existence of public interest, ownership and other property rights, the type and amount of compensation and other facts and circumstances relevant to the expropriation. The hearing may be scheduled before 15 days of submitting the proposal for expropriation to the owner and owners of other property rights.

The hearing may end up with a settlement (agreement) for a fee.

The settlement replaces the decision for expropriation and the expropriation and procedures for determining of compensation are considered as legally final.

If you don't reach agreement, the authority for expropriation according to the facts and circumstances set out in the procedure will make a decision on the proposal for expropriation.

The decision which adopts the proposal for expropriation contains data on:

- 1) the beneficiary of expropriation;
- 2) property that is expropriated by citing data from the cadastre of property ;
- 3) the owner of the property and owners of other property rights of the property and their residence or office and ;
- 4) the building or other work whose construction or execution is carried expropriation.

The decision for expropriation may be appealed to the Commission of Government of Republic of Macedonia.

The user of the expropriation acquires possession upon the expropriated property on the date of execution of the agreement or decision of the court for compensation.

Notwithstanding, at the request of the user of expropriation in cases of emergency or for the removal of apparent damage, the authorities for expropriation with a prior consent of the Minister of Finance may decide to surrendered the property to the user possession after the adoption of the first instance decision.

In cases where the owner or owner of other property rights, is entitled to compensation for not using the property from the date of coming into possession of the beneficiary of expro-

priation until the date of execution of the agreement or decision of the court for compensation.

When the owner or owner of residential right lives in a building or apartment or carries on business in the expropriated building or business premises, is also entitled to temporary accommodation.

If the beneficiary of expropriation entered into possession under the law, and the proposal for expropriation in the procedure is effectively denied, property-legal relations between the beneficiary of expropriation and the former owner or owner of property rights will be resolved in accordance with the regulations on property relations.

The user of the expropriation may abandon the proposal for expropriation, until the final court decision for expropriation.

The final decision for expropriation shall be revoked if the beneficiary of expropriation and the former owner jointly require.

On request of the former owner of the expropriated property will be canceled effective decision for expropriation in whole or in part if, within three years after the decision, the beneficiary of expropriation did not perform substantial work on the building or work intended for expropriated property taking into account the nature, size and value of that object.

The request can be applied within ten years from the date of the decision to expropriate the property from the possession of the owner.

In the case of conversion of the purpose for which expropriation of real estate was carried out, the decision for expropriation is officially canceled, with agreement of the former owner of expropriated real estate.

For the annulment of expropriation decision, decides the authority that brought the decision.

Property-legal relations between the beneficiary of expropriation and the former owner in case of annulment of the decision for expropriation or cancellation of the proposal for expropriation is solved in a procedure for determining the compensation provided by law.

All sorts of complaints (except those filed by employees and contractors) related with this project should be directed to ELEM through the following designated staff member:

Zvonko Kusoski, Engineer for Investments

Tel: +389 (0) 2 31 49 164

Fax: +389 (0) 2 31 49 100

e-mail: boskov.most@elem.com.mk

zvonko.kusoski@elem.com.mk

Address:

ELEKTRANI NA MAKEDONIJA (ELEM)

11 Oktomvri 9, 1000 Skopje, Macedonia

ELEM will implement the following mechanisms:

- 1) Confirmation of receipt of the appeal must be within 5 working days from the date when it was received.
- 2) The answer to the problem would be within 30 days of receiving the complaint.

The manner of filing the complaint will be placed on local boards and informative website ELEM (http://www.elem.com.mk/images/photo/projects/Boskov_Most.pdf).

Lawsuits arising from the workforce involved in the project will be directed mainly through appropriate representatives of unions, but where is appropriate ELEM can be directly involved in developing appropriate solutions. All lawsuits arising from contractors should be taken through normal commercial channels established.

7.2 Review and updating of complaints

According the Law for Expropriation (Official Gazette no. 33/95, 20/98, 40/99, 31/03, 46/05, 106/08, 76/10), Law for Administrative Disputes (Official Gazette of the Republic Macedonia no.62/06, 27/08, 117/09), the dissatisfied party is entitled to submit a complaint to the second instance commission of the Government against the decision taken by the authority to expropriate, within eight working days from receipt of the decision.

Against a secondary committee of the Government of Republic of Macedonia, can initiate court proceedings to the Court, whose decision is legally obligatory and executable.

In judicial proceedings for determining the amount of compensation, the dissatisfied party is entitled to appeal against the decision of the Court to the Appellate Court.

All complaints mechanisms, established for the project will be delivered to the persons concerned.

Hereby attached is the proposed form for complaints.

Public Complaint Form

Referent number	
Name and surname	
Contract information:	By mail: Please write the address of recipient _____ _____
Please note the desired way for contact (address, telephone e-mail,)	Telephone: _____ By e-mail: _____
Desired language for communication	Macedonian Albanian Turkish
Description of incident or complain: What happened? Where the event happened? Who was affected by the activity? Which is the result of the problem?	
Date of incident/injustice	
	One time happened incident/injustice (date _____) It happened more than once (how many times? _____) Current (facing the problem in the moment)
What would you like to happen to resolve the problem?	
Signature: _____	Date: _____

Please return this form:

Zvonko Kusoski,
Engineer for Investments
Tel: + 389 (0)2 31 49 164
Fax: + 389 (0)2 31 49 100

e-mail:
boskov.most@elem.com.mk

Department of Development and Investment,
JSC Macedonian Power Plants (ELEM)
Str.11 October 9, 1000 Skopje
Macedonia