



**Republic of Serbia**  
**Ministry of Construction, Transport and Infrastructure**  
**Nemanjina 22-26, 11000 Belgrade**

# **Resettlement Policy Framework (RPF)**

for the  
PHASE 2 OF THE MULTI-PHASE PROGRAMMATIC APPROACH

## **Serbia Railway Sector Modernization Project**

Draft document

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# Acronyms

BoE	Beneficiary of Expropriation
CC	Constitution Court
CFD	Central Feedback Desk
E&S	Environmental and Social
ESF	Environmental and Social Framework
ESS	Environmental and Social Standards of World Bank
ESS5	ESS on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement
GoS	Government of Republic of Serbia
GM	Grievance Mechanism
GRS	Grievance Redress Service
IZS	Infrastructure Railways Serbia – State Owned Enterprise
LM	Local Municipalities
LGD	Local Grievance Desk(s)
MCTI	Ministry of Construction, Transport and Infrastructure of Republic of Serbia
MoF	Ministry of Finance of Republic of Serbia
PAP	Project Affected People
PIU	Project Implementation Unit
PIT	Project Implementation Team
RD	Rail Directorate -
RLC	Rail Level Crossing
RPF	Resettlement Policy Framework (this document)
RAP	Resettlement Action Plan
RS	Republic of Serbia
SV	Serbia Voz
SC	Serbia Cargo
SRMP	Serbia Railway Sector Modernization Project
SEL	Stakeholder Engagement Log
SOE	State owned Enterprise
TA	Tax administration
WB	World Bank

## Definitions glossary

Cut-off date	This date shall correspond to any such date when an official request for determination of the Public Interest is sent to relevant authority. Person(s) encroaching into the project area after the Cut-off date, are not eligible for compensation and/or resettlement assistance. Similarly, fixed assets (such as built structures, crops, fruit trees, and woodlots) established after the Cut-off date will not be compensated. Project Implementation Unit (PIU) shall adequately advertise the Cut-off date informing the public, owners and users of assets about the expropriation process and the timing. The Cut-off date will also be publicly disclosed on notice boards in local communities and relevant municipalities and spaces commonly and frequently used by the community, informing general public, and at consultation meetings, with an accompanying guidance note. The public announcement be posted, as necessary, on frequently visited locations throughout the affected areas. This information will include posted warnings that persons and assets settling in the project area after the cut-off date may be subject to removal without compensation.
Economic displacement	Includes all loss of income sources or means of livelihood as a result of land acquisition or restricted access to resources (land, water, or forest) as a result of Project implementation, regardless of whether affected persons must move to another location or not.
Entitlement	Compensation and other forms of assistance that Project Affected Persons (PAPs) have the right to receive in accordance with this Resettlement Project Framework (RPF) in the respective eligibility category.
Expropriation	Refers to dispossession or limitation of ownership rights on property against compensation pursuant to market value of the property and is based on the Governments eminent domain power, regulated by the Law on Expropriation or by the Law on Special Procedures for the Implementation of the Project of Construction and Reconstruction of Line Infrastructure Structures of Particular Importance to the Republic of Serbia
Forced Eviction	Refers to permanent or temporary removal against the will of individuals, families, and/or communities from the homes and/or land which they occupy without the provision of, and access to, appropriate forms of legal and other protection, including all applicable procedures and principles in this RPF. The exercise of eminent domain, compulsory acquisition or similar powers will not be considered to be forced eviction providing it complies with the requirements of national law and the provisions of this RPF, and is conducted in a manner consistent with basic principles of due process (including provision of adequate advance notice, meaningful opportunities to lodge grievances and appeals, and avoidance of the use of unnecessary, disproportionate, or excessive force).
Involuntary resettlement	Refers to Project-related impacts of resettlement without persons affected having the right to decline land acquisition or restrictions on land use, physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood), or both.

Land Acquisition	Refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way. Land acquisition may also include: (a) acquisition of unoccupied or unutilized land whether or not the landholder relies upon such land for income or livelihood purposes; (b) repossession of public land that is used or occupied by individuals or households; and (c) project impacts that result in land being submerged or otherwise rendered unusable or inaccessible. "Land" includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and appurtenant water bodies.
Livelihood	Refers to the full range of means that individuals, families and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource-based livelihoods (ecosystem services), petty trade and bartering.
Moving allowance	Compensation for costs directly associated to moving/relocation of the household or business. This may be paid in cash or by direct moving support (logistics such as moving trucks, labor and alike). In-kind arrangements shall be subject to request and agreement by the PAPs.
Physical displacement	Loss of shelter and assets resulting from the property acquisition associated with the Project that requires PAPs to move from home, workplace or business premises to another location.
Project Affected Person (PAP)	Any person who, as a result of the implementation of the (sub)-project suffers impacts is referred to as a Project Affected Person.
Replacement cost	Replacement cost is defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets acceptable minimum community standards of quality and safety. The valuation method for determining replacement cost should be documented and included in relevant resettlement planning documents. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons.
Restrictions on land use	Refers to limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of the project. These may include restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, and restrictions on land use within utility easements or safety zones.
Stakeholders	Any and all individuals, groups, organizations, and institutions interested in and potentially affected by a Project, or having interest in and the ability to influence the Project.

Transitional allowance	Refers to one-off (cash or other) assistance to be provided for relocation of household members and their possessions (or business equipment and inventory) to be provided for households choosing cash compensation and securing their own replacement housing, including construction of new housing. If planned relocation sites (for residences or businesses) are not ready for occupancy at the time of physical displacement, the plan establishes a transitional allowance sufficient to meet temporary rental expenses and other costs until occupancy is available.
Moving allowance	Refers to one-off (cash or other) assistance to cover relocation costs of household members and their household inventory (or business equipment and inventory)
Vulnerable group/individuals	Refers to people below the poverty line, the landless, the elderly, women and children, and those who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may be more adversely affected by resettlement than others or who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits.



# 1 Introduction

## 1.1 Brief description of the Project

The World Bank (WB) aims to support the Government of Serbia in continuation of institutional, physical and operational modernization of the railway sector in an integrated manner through providing financial support to Serbia Railway Sector Modernization Project (hereinafter: **the Program**) as part of the Multiphase Programmatic Approach to be implemented in three phases over the ten-year period. Sectoral changes are planned to: (1) strengthen the management of the sector, giving companies clear and achievable contractual arrangements; (2) infrastructure improvement; (3) encouraging railway companies to increase their corporate efficiency and achieve their commercial goals; (4) improving the reliability and safety of railway services through the use of modern technology, modern safety systems, energy efficiency measures and consideration of resilience; and (5) increasing rail modal participation by working on last-kilometer connectivity, urban integration, multimodal logistics centers and the concept of integrated territorial development.

**Phase 2** of the Program (hereinafter: **the Project**), the subject of this RPF would prioritize investments in the overhaul maintenance workshops and refurbishment of existing rail maintenance machinery with procurement of new rail maintenance machinery thus strengthening the railway sector on the field of maintenance. This is expected to be the largest phase by investment amount. The Project will utilize the knowledge originated in Phase 1 on rail asset management, ownership structure, further corporatization, modal shift interventions and commercialization of the sector, with special emphasis on railway infrastructure maintenance. In addition, it would scale up and finish implementation of the SMS to improve safety performance and establish a safety culture together with continuation of introduction of digital solution in operational activities. These efforts will be coupled with scaled-up infrastructure investments coherent with the main objective of the Project. The Project may also begin the utilization of intelligent transportation systems (ITS) and pilot integration of rail and bus services. The integration of intercity and urban rail services (freight and passenger) with other modes will be continuing to improve operational safety. The next three pilots for Integrated Territorial Development ITD will be conduct, as a continuing activity from Phase 1. These measures would not only benefit wider local communities but also provide climate co-benefits. Also, the Project will recognize private investments opportunities throughout the analysis of construction of new logistics centers and intermodal terminals with and cargo-oriented developments (COD) that will provide clear opportunities for the private sector to participate.

Phase 2 is structured along the same three components as in the Program first phase. The overall focus on Phase 2 is on railways infrastructure routine maintenance, yet includes activities that: (i) build up on Phase 1 activities; and (ii) prepare Phase 3 activities. In particular, Phase 1 establishes the Railway Infrastructure Asset Management System (RIAMS) that will be IZS's keystone to plan and optimize asset management, including maintenance. Phase 2 content is defined based on the need to initiate MPA Phase 2 and on the lessons learned from Phase 1.

The Project will be implemented through three components and accompanied sub-components:

**Component 1: Infrastructure Investments and Asset Management:** Sub-Component 1.1: Heavy duty machinery for railways infrastructure maintenance, Sub-Component 1.2: Modernization of railways maintenance facilities, Sub-Component 1.3: Outsourcing railways routine maintenance, Sub-Component 1.4: Railways asset management and planning, Sub-Component 1.5: Preparation of technical documentation for railway lines

**Component 2: Institutional Strengthening and Project Management:** Sub-Component 2.1: Sectoral governance and commercial approach, Sub-Component 2.2: Human Capital Development, Sub-Component 2.3: Project Management and Citizen Engagement

**Component 3: Railway Modernization Enablers:** Sub-Component 3.1: Growing Cargo Traffic, Sub-Component 3.2: Growing Passenger Traffic.

## 1.2 Resettlement Policy Framework (RPF) Background

Operations and activities for which the World Bank's Investment Project Financing (IPF) is sought after October 1, 2018, fall under the application of the Environmental and Social Framework (ESF)<sup>1</sup>. The ESF comprise, inter alia, the 10 Environmental and Social Standards which set out mandatory requirements for the Ministry of Construction, Transport and Infrastructure (MCTI) and the Project. In response to the Bank's requirements, the MCTU has prepared a Resettlement Policy Framework (RPF) for Phase 2 of the Project – this document, which sets out principles to be followed for project related to land acquisition, restrictions on land and Involuntary Resettlement consistent with ESS5. The RPF is a risk management instrument and has been activated for phase 2 of the railway's modernization project as a precautionary measure. The primary objective of activating the RPF is to proactively mitigate any potential risks associated with land use restrictions or involuntary resettlement that may arise from the implementation of various project activities, including technical assistance. By deploying the RPF, the project aims to ensure the safety and protection of individuals and properties in case these would be affected by phase 2 of the project.

## 1.3 Objectives of this RPF

The overarching objectives of this RPF are to define rules, principles, procedures, actions and outline organizational structures and capacity requirements during Project to minimize and mitigate the loss of private lands and non-land assets, and resultant loss in livelihoods for affected people. This RPF also provides guidance for individual Resettlement Action Plans (RAPs) to be prepared under the sub-projects.

The more specific objectives are:

- providing procedures for due diligence and screening for applicability of ESS5;
- classifying RS legal solutions in the event of involuntary resettlement, relocation and loss of assets, including legal and administrative procedures and assessment of compensation to be paid for loss of assets;
- comparing national requirements to ESS5 policies and international good practices; and providing the way to bridge the gaps, if any;
- identifying key institutions alongside the PIU and PITs, involved in the Project implementation, including especially legally authorized state institutions implementing the procedures and safeguards of involuntary resettlement process;

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<sup>1</sup> The ESF is accessible at - <https://www.worldbank.org/en/projects-operations/environmental-and-social-framework>. Last accessed on July 21, 2020

- designing monitoring and evaluation criteria to provide compliance with ESS5 and international good practices;
- presenting eligibility criteria and compensation entitlement matrix according to type of loss assets;
- defining the basic process of identification and evaluation of affected assets and the value of compensation to replace the loss of assets;
- providing instruments for prompt and effective compensation at full replacement cost for loss of assets or access to assets;
- development of mitigation principles, including fundamentals in order to minimize impacts on PAPs during Project implementation, including mitigation guidelines measures provided for vulnerable groups and women;
- describing and providing a roadmap for preparation, approval procedure, outlines and implementation process of RAPs or other involuntary resettlement instruments in accordance with ESS5, as relevant;
- specifying requirements of public disclosure, disclosure of documents, public and community engagement through all phases of the Project, including RPF and RAPs disclosure and process;
- establishing a gender-sensitive framework for resettlement in order to determine differentiated impacts understanding that economic and social disruption do not result in equal hardship for women and men;
- specifying internal monitoring activities during all phases of Project implementation, especially regarding resettlement issues, safeguarding legal and under this RPF defined process, including reporting and evaluation of the resettlement process and external monitoring and evaluation to design corrective actions as necessary;
- specify the process of keeping a project Stakeholder Engagement Log (SEL) by the PIU;
- present a Project Grievance Mechanism (GM) to provide people who believe are adversely affected by the Project and sub-projects, an avenue to raise issues and concerns free of charge, define grievance process and complaint rights, process, bodies and procedures available to PAPs during the Project cycle, including feedback reporting.

#### 1.4 Fundamental principles guiding resettlement

This RPF provides overarching and binding principles applicable to all cases of physical resettlement, economic displacement and any other adverse social impacts associated with the Project's land acquisition needs. These principles shall govern the PIU's actions, contractors, all other state and local institutions involved in the Project implementation. Principles guiding land acquisition and resettlement under the Project are outlined below:

- involuntary resettlement should be avoided by exploring all viable alternatives after taking into consideration all facts such as public health or safety.
- when unavoidable, minimize involuntary resettlement by exploring Project design alternatives with the goal that adverse effects should be rendered to the bare unavoidable minimum.
- Forced eviction is prohibited. This however does not prevent action by the Government to remove a person who continues to occupy land upon completion of the legal process of eminent domain or compulsory acquisition. Eviction is not considered to be forced eviction if it conforms to national law, including compliance with, and completion of, all relevant legal and administrative procedures, including appeals processes; complies with all the relevant requirements of ESS5, and is carried out in a way that respects basic principles of due process.
- When unavoidable, adverse effects and social impact occurs, all loss of property shall be mitigated by providing timely compensation for loss of assets at least at the value of replacement costs.

- PAPs will be assisted in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of Project implementation, whichever is higher.
- Negotiated settlements with affected persons are encouraged by this RPF prior to formal expropriation with the goal to help avoid administrative or judicial delays, and to the extent possible to reduce the impacts on affected persons.
- Resettlement must be managed in accordance with national applicable laws, ESS5 and accepted international good practices. Where gaps exist, more stringent provisions will prevail. Fundamentally, rules and policies that benefit the PAPs most will always prevail.
- The PIU will oversee all resettlement activities from the early onset of project design, facilitating cost-effective, efficient and timely implementation of principles and objectives set by this RPF, as well to promote innovative approaches for improving the livelihoods and standards of living of those affected by involuntary resettlement.
- The Project will improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure.
- Additional targeted support will be provided to vulnerable groups and/or individuals affected by the Project, during resettlement process, as well as during implementation of all phases of the Project according to their specific vulnerability.
- The Project will ensure a gender sensitive approach by inclusion of women, part of affected households, in all public consultation and discussions on specific mitigation measures. All activities in this RPF will aim to be gender tailored, with the goal to empower women and provide with the possibility to participate in mitigation measures provided for resettlement impact. The documentation for ownership or occupancy, such as title deeds and lease agreements (including the bank accounts established for payment of compensation), will be issued in the names of both spouses, if the expropriated assets are part of marital property of both spouses.
- Activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.
- Sub-Project specific RAPs, and other resettlement instruments as appropriate, will be prepared, publicly disclosed and consulted on before final approval.
- Activities under the Project causing physical or economic displacement are not allowed to commence before RAPs are adopted to allow affected persons and stakeholders to participate in Project development, planning and implementation of resettlement programs.
- Accessible GM will be developed for affected people grievances before start of any civil works that can cause relevant physical or economic displacement per this RPF. During the Project implementation and resettlement cycle, stakeholders will be provided with full information about their grievance rights, possibilities and procedures. All grievances will be considered during Project implementation and resettlement activities.
- All resettlement activities should be conceived and conducted as sustainable projects by providing sufficient investment resources to enable principles and goals of resettlement defined by this RPF and RAPs to be fully achieved.

## 1.5 Estimated displacement impacts and justification of RPF

Project-related land acquisition through all methods of obtaining land for project purposes, which may include outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way and restrictions on land use (such as limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of the project), if at all, might occur in relation to Component 1. The likelihood, size, number, scale, locations, the zone of impact of such components or activities; the scope and scale of land

acquisition and impacts on structures and other fixed assets; restrictions on land use with potential to cause physical and/or economic displacement of all sub-components and activities is currently not known. It is understood that the land requirements for the footprint of the project will be minor, if any.

Because of these knowledge gaps this Resettlement Policy Framework (RPF) rather than a Resettlement Action Plan (RAP) is prepared to establish resettlement principles, organizational arrangements, and design criteria to be applied to subprojects, and to mitigate potential resettlement impacts. This RPF provides guidance to the implementing entity on adequate screening and assessment tools to evaluate social impacts in depth during Project implementation, design and implement in accordance with the legal system, laws and procedures of Republic of Serbia, and in conformity with ESS5 and good international practices.

Once the sites of the sub-projects are known, a due diligence process will be undertaken as outlined in this RPF, and individual RAPs, if required, proportionate to potential risks and impacts will be prepared compliant with this RPF. No physical and/or economic displacement will occur until such plans have been finalized under due procedure, consideration of engagement and consultation requirements and approved by the WB.

## 2 Legal framework

### 2.1 National legal framework guiding resettlement

**Constitution of the Republic of Serbia**<sup>2</sup>. Passed in 2006 (the Constitution was approved in the constitutional referendum of 2006, held from the 28-29th of October and officially proclaimed by the National Assembly of Serbia on November 8, 2006), the Constitution proclaims the rule of law and social justice, principles of civil democracy, human and minority rights and freedoms, and commitment to European principles and values.

Article 58 generally acknowledges guarantees of peaceful tenure of a person's property and other property rights acquired by law. It states that property rights may be revoked or restricted only when in public interest, established by law and with compensation equaling the market value at the minimum. It is to be emphasized that the Constitution of RS sets payment of compensation at the level defined not less than the "market value". As such, this is an important provision for bridging gaps between Serbian laws and WB resettlement standards embodied in ESS5, as it will be presented later in this document. The provisions of the Constitution do not differentiate formal from informal properties relevant from the perspective of the structures constructed without a construction permit, a practice common for the past 30 years in Serbia. The Constitution further proclaims that all human rights (including the right of property) and minority rights guaranteed by the Constitution shall be implemented directly.

Of equal relevance is Article 16 stating that all general accepted rules of international law and ratified international treaties shall be an integral part of the legal system in the Republic of Serbia and applied directly. This provision allows direct implementation of ESS resettlement standards and policies, provisions of this RPF and individual RAPs next to existing Serbian laws, and most important ways of bridging gaps between them if those WB resettlement policies and this RPF is considered to be an integral part of any future Loan agreement with the WB, once approved, signed and ratified by the Parliament.

#### **The Law on Public property**<sup>3</sup>

Enacted in 2011 and last amended in 2020, governs the fundamental principles on public ownership and other proprietary rights of the State, autonomous provinces and local self-government units. This Law is **relevant** for the project as it governs the public ownership regime. The main positive aspects of the Law on Public Property are in that it (i). decentralizes the ownership entitlements, (ii). provides specific rules for use and disposal of public property and (iii). sets the framework for potential public-private partnerships.

#### **The Law on foundations of legal relations over properties**<sup>4</sup>.

**Relevant** for the implementation of the RPF and identification of eligibility. Enacted in 1990 and amended in 2005 ("Official Gazette of the SFRY", No. 6/80, 36/90, "Official Gazette of the FRY", No. 29/96 and "Official Gazette of the RS", No.115/2005) governs fundamental provisions of property relations,

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<sup>2</sup> <https://www.ilo.org/dyn/natlex/docs/ELECTRONIC/74694/119555/F838981147/SRB74694%20Eng.pdf> provides English version for review, last accessed October 9, 2019.

<sup>3</sup> [https://www.paragraf.rs/propisi/zakon\\_o\\_javnoj\\_svojini.html](https://www.paragraf.rs/propisi/zakon_o_javnoj_svojini.html), last accessed October 9, 2019

<sup>4</sup> [https://www.paragraf.rs/propisi/zakon\\_o\\_osnovama\\_svojinskopravnih\\_odnosa.html](https://www.paragraf.rs/propisi/zakon_o_osnovama_svojinskopravnih_odnosa.html), ibid

including ownership rights substance, subjects of ownership rights, co-ownership and joint ownership rights, acquiring the right of ownership, right on yields emanating from owned thing, possession rights, ownership acquired by adverse possession, ownership relations deriving in situations when structures was built on someone else's land, protection of ownership rights, protection of possession, cessation of ownership rights, etc. Most important provisions of this Law that are of considerable influence on the resettlement process and application of WB standards are the provisions regarding ownership rights acquired by construction (for informally constructed structures), provisions on the legal institute of joint spouse property on property acquired during marriage etc.

#### **The Law on Construction and Planning<sup>5</sup>.**

**Relevant** for the Project. The planning and construction law was published in "Official Gazette of the RS", No. 72/09 of September 3, 2009, corrected "Official Gazette No. 81/09 (Corrigendum), changed by Constitution Court of RS ruling 64/10 (CC), 24/11, 121/12, 42/13 (CC), 50/13 (CC), 98/13 (CC), 132/14 145/14, 83/2018, 31/2019, 37/2019 (other law), 9/2020 and 52/2021 and it governs the following issues: the conditions and modalities of spatial planning and development, the development of general and detailed regulation plans, the development and use of construction land and the construction of facilities, predominant use of land when the land has multiple uses, public use of land and other issues of significance in the development of space, landscaping and use of construction land and the construction of facilities. It prescribe procedure for: issuance of site conditions; issuance of building permit; notice of works; issuance of occupancy permit; attainment of conditions for design, i.e. connection of a facility to the infrastructure network; obtaining legal instruments and other documents issued by the holders of public authorities required for the construction of facilities, i.e. for the issuance of site location conditions, building permit and occupancy permit within their competence, as well as for the provision of conditions for connection to the infrastructure network and for the registration of title to the built facility and for designating a house number (unified procedure).

#### **The Law on legalization of structures<sup>6</sup>.**

**Relevant** for the Project. Building legalization law, published in "Official Gazette of the RS ", No. 96/15, 83/18, 81/20 – CC ruling and 1/23 – CC ruling) regulates the conditions, procedure and manner for legalizing buildings, parts of buildings, auxiliary buildings and other buildings constructed without a building or construction permit. The custom of constructing buildings (houses, shops, even apartment buildings), or adding auxiliary buildings to existing, legal building (garage, additional floors on houses or rooms) without a construction permit became quite usual during the past 30 years. The governments over the years always maintained the intention to legalize all illegally constructed buildings, if constructed on own land and/or with consent of the owner, but most of the buildings have not yet been legalized. It is without any doubt that if the Project will have any resettlement impact, some of the assets will be buildings without building permits so provisions of this law can be important, but in those cases, the RPF, in terms of eligibility, shall prevail if more stringent. This law now imposes restrictions to title transfer for structures constructed without building permits. In line with Article 28, all structures subject to the formal process of legalization shall within 6 months be registered as such by the relevant cadastral authority together with the note that any commercial transaction in terms of transfer of title is forbidden.

#### **The Law on Extra-Judicial Proceedings<sup>7</sup> .**

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<sup>5</sup> [https://www.paragraf.rs/propisi/zakon\\_o\\_planiranju\\_i\\_izgradnji.html](https://www.paragraf.rs/propisi/zakon_o_planiranju_i_izgradnji.html), ibid

<sup>6</sup> [https://www.paragraf.rs/propisi/zakon\\_o\\_ozakonjenju\\_objekata.html](https://www.paragraf.rs/propisi/zakon_o_ozakonjenju_objekata.html), last accessed October 9, 2019

<sup>7</sup> [https://www.paragraf.rs/propisi/zakon\\_o\\_vanparnicnom\\_postupku.html](https://www.paragraf.rs/propisi/zakon_o_vanparnicnom_postupku.html), last accessed October 9, 2019

The law as published in the "Official Gazette of RS", No. 25/82 and 48/88, amended "Official Gazette of the RS" No 46/95, 18/2005, 85/2012, 45/2013, 55/2014, 6/2015 and 106/2015- other law) defines the rules by which courts decide on personal, family, property-related and other rights and legal interests, which are resolved in extra-judicial proceedings, pursuant to the Law. In accordance with this Law, the court in extra-judicial proceedings determines compensation for an expropriated property after it establishes the important facts and approves a decision which defines the type and amount of compensation. Participants may conclude an Agreement about type and amount of compensation, and the court will then base its decision on their agreement, if the court finds that the agreement is not contrary to mandatory regulations. Following ESS5 proclaimed standards and principles of resettlement, endorsed by this RPF in Chapter 1.4, RS institution in charge of the land acquisition process will be obliged to strive to reach a negotiated settlement with previous owners of property, in accordance with the Expropriation law prior to the administrative proceedings (as will be described in the next Chapter 2.2) or pursuant to this Law.

### **The Law on Administrative procedures<sup>8</sup> .**

**Relevant** for the Project. The law in effect was adopted in 2016 ("Official Gazette of RS No18/16, authentic interpretation of the law - 95/2018, 2/2023) defines the rules and procedures to be applied by government authorities when deciding on rights, obligations or legal interests of individuals, legal persons or other parties, within the framework of administrative procedures. Decisions by administration bodies are approved in form of a decree, after completing the procedure as prescribed by this Law. The party has the right to appeal against the decision approved in first instance. This Law administratively governs the expropriation process.

### **The Law on State Survey and Cadaster<sup>9</sup>.**

**Relevant** for the Project. The Law on State Survey and Cadaster ("Official Gazette of the RS" No 72/2009, amended on 18/2010, 65/2013, 15/2015, 47/17, 113/17, 27/18, 41/18- other law and 9/20 – other law ) regulates the professional activities and affairs of the state administration related to land, buildings and other structures survey, real estate cadaster, records and registration of property, registration of possession, registration of illegal buildings and buildings legalized according to provision of the latest Building Legalization Law of RS, utilities cadaster, basic geodetic works, address register, topographic and cartographic activities, valuation of real estate, geodetic and cadastral information system.

## **2.2 Expropriation process in Serbia**

Two laws govern the overall expropriation process in Serbia<sup>10</sup>:

### **The Law on Expropriation<sup>11</sup>**

Passed in 1995 and enacted on January 1, 1996 ("Official Gazette of RS" No 53/95, ...20/2009, 55/2013- CC ruling and 106/2016 – authentic interpretation) enables government institutions to acquire property for projects that are deemed to be of public interest, while protecting the interests of all persons with legal title, whose assets are to be expropriated. The Law on expropriation does not use the term "involuntary resettlement", but instead uses the term "expropriation" and is based on the

<sup>8</sup> <https://www.paragraf.rs/propisi/zakon-o-opstem-upravnom-postupku.html>, ibid

<sup>9</sup> [https://www.paragraf.rs/propisi/zakon\\_o\\_drzavnom\\_premeru\\_i\\_katastru.html](https://www.paragraf.rs/propisi/zakon_o_drzavnom_premeru_i_katastru.html), last accessed October 9, 2019

<sup>10</sup> Land acquisition process may be governed by laws enacted specifically for a certain project (Lex Specialis). This is not such project.

<sup>11</sup> [https://www.paragraf.rs/propisi/zakon\\_o\\_eksproprijaciji.html](https://www.paragraf.rs/propisi/zakon_o_eksproprijaciji.html), ibid



Governments eminent domain power. The Law in conjunction with the project RPF will guide potential land acquisition and resettlement needed for the Project.

### **Law on Special Procedures for the Implementation of the Project of Construction and Reconstruction of line Infrastructure Structures of Particular Importance to The Republic of Serbia**

This Law is published in the “Official Gazette of RS” No. 9/20. The law provides inter alia particular conditions to the Law on expropriation governing land acquisition for construction of line infrastructure objects in the road, rail, water, and air sector with the potential to beneficially impact the overall development of the Republic of Serbia. The law is infused with the intention of efficiency cutting across the permitting and land acquisition procedure. This Law shall apply to projects of construction and reconstruction of line infrastructure structures of particular importance to the Republic of Serbia. Construction and reconstruction of public line transport infrastructure (road, rail, water, and air) are deemed as Projects of particular importance to The Republic of Serbia. The decision on recognition i.e. implementation of each such Project as a Project of particular importance to the Republic of Serbia is passed by the Government.

The Law identifies projects of construction and reconstruction of the line infrastructure structures of particular importance to the Republic of Serbia, and governs the process of determining the public interest for complete and incomplete expropriation and temporary occupation of immovable property required for development purposes. The Law sets the range of potential Beneficiaries of Expropriation (BoE), defines the specific expropriation procedure, permitting and approval procedures to create an enabling environment for efficient implementation of Projects to particular importance to the Republic of Serbia.

In terms of this Law, Projects of particular importance to the Republic of Serbia are projects of construction and reconstruction of line infrastructure structures that have an impact on an overall development of the Republic of Serbia, balanced regional and local economic development, international, regional and interior territorial connection, improvement of connectivity, prevention of the degradation of the parts of the territory of the Republic of Serbia, ensuring and improving population’s subsistence, social development, and environmental protection thereby enhancing an overall living standard of the citizens of the Republic of Serbia.

Procedures of rehabilitation, maintenance, renovation, modernization and other works on line infrastructure structure shall be subject to the provisions of the law governing that type of line infrastructure structure unless otherwise stipulated by this Law. The novelty of the Law is for cases during construction in which the scope of work needs to be conducted outside the area of the already acquired land, such land shall be acquired through a negotiated settlement between the owner and the beneficiary of expropriation.

Unless differently regulated by this law the Law on Expropriation shall govern the Land acquisition process.

### **2.3 Key provisions of the Law on Expropriation**

Key principles of the law may be classified as below:

Immovable assets (in terms of the law defined as land, buildings and other structures, perennial plants, crops, logging forest, and other attachments) can be expropriated only once the public interest is declared either by law, or individual decision of the Government of RS. The Public interest can be declared if construction of facility is intended for public utility infrastructure, education, public health,

social welfare, culture, water management, sports, transport, power, national defense, local/national government needs, environmental protection, protection from weather-related damage, exploration for, or exploitation of, minerals, land needed for resettlement of people holding mineral-rich lands, property required for certain joint ventures, and housing construction for the socially disadvantaged.

As the potential Beneficiary of Expropriation (BoE) the law recognizes the Republic of Serbia, autonomous provinces, cities, municipalities, public funds, public companies, companies that are established by public companies, as well as for companies with majority state capital and/or founded by the above-mentioned state institutions.

Expropriation can be either complete or incomplete. Complete expropriation allows the BoE to obtain ownership over the expropriated property, while the ownership by the owner and other rights cease to exist. Incomplete expropriation provides the BoE with specific easement rights on the land and structures, as well as the lease of the land for a definite period of time (not longer than three years in both cases). At the end of the easement or lease period full ownership rights over the property are returned to the owner, and the property is restored to conditions prior to expropriation.

Owners of immovable property partially affected are entitled to request expropriation of the remaining part against corresponding compensation, in cases when the expropriation has deteriorated their economic situation, or the remaining part of the property has become unviable. Owners can request expropriation of the remaining part within two years from the date when construction has been completed.

As a general rule, compensation is cash based. When agricultural land is subject to expropriation for construction of linear infrastructure facilities (railways, highways, pipelines, etc.), suitable agricultural land of the same type and quality, or the corresponding value in the area or its surroundings shall be offered as a primary type of compensation. If such land is not available, the compensation shall then be offered cash based.

To lessee of socially or state-owned flats, or to persons with occupancy rights in residential building or apartment subject to expropriation, tenure rights (use, lease or occupancy rights) of same kind of another equivalent, social or state-owned property in the vicinity shall be provided.

Taking over is not allowed prior to the day the decision on compensation becomes legally valid, or before the date of conclusion of an agreement on compensation for expropriated property, unless the Law stipulates otherwise. This does not apply in cases of physical resettlement. There are exceptional cases allowing the BoE to take possession of the expropriated property immediately upon the final decision on expropriation, provided that the BoE has defined the basis for compensation under the provisions of the Law.

## 2.4 The expropriation process

This is a step-by-step presentation of the expropriation process, as defined by the Expropriation law:

- Declaration of the public interest: The National Assembly of RS by enacting a law, or GoS by decision declares public interest for a certain development project (within 90 days from submission of the request) thus enabling the use of eminent domain power to acquire land and assets. The Expropriation law defines institutions, entities and bodies eligible to exercise this power in the capacity of BoE.
- Commencement of the process: The first administrative step is submission of expropriation proposal to the relevant administrative authority (Municipality administration governed by the geographic location of the property) by the BoE. The proposal, inter alia, contains details on the owners and properties for which expropriation is proposed, and evidence that adequate funds are available for compensation either through secured funds within the budget, or a bank guarantee, securing the payment of compensation, in accordance with the regulations governing public finances.

- Stakeholder engagement: Prior to deciding on the request, the relevant authority shall hold individual hearings informing the owners of all facts of importance for the expropriation. If all conditions are met, the expropriation decision will be issued. Compensation: Within 15 days upon legal validity of expropriation decision written compensation offers based on evaluation of assets made by proper authority shall be made by the BoE.
- The municipal authority shall without delay supply the owner with a copy of the offer and will collect information that may be of importance for the compensation from administrative and other institutions and organizations. The compensation agreement cannot be in contradiction to the Law on Expropriation provisions.
- Competence of the Judicial system. If within two months upon the date of legal validity of the Expropriation decision, the parties have not come to a settlement agreement, the municipal administration shall refer such case without delay to the basic court. The court will determine the compensation in a process driven by urgency.

## 2.5 Law on Special Procedures for the Implementation of the Project of Construction and Reconstruction of line Infrastructure Structures of Particular Importance to The Republic of Serbia (hereinafter referred to as: Law on Special Procedures) <sup>12</sup>

This Law shall apply to projects of construction and reconstruction of line infrastructure structures of particular importance to the Republic of Serbia. Construction and reconstruction of public line transport infrastructure (road, rail, water and air) are deemed as projects of particular importance to the Republic of Serbia. The decision on recognition i.e. implementation of each such project as a project of particular importance to the Republic of Serbia is passed by the Government.

The Law identifies projects of construction and reconstruction of line infrastructure structures of particular importance to the Republic of Serbia, and governs the process of determining the public interest for complete and incomplete expropriation and temporary occupation of immovable property required for development purposes. The Law sets the range of potential BoE, defines the specific expropriation procedure, permitting and approval procedures to create an enabling environment for efficient implementation of projects to particular importance to the Republic of Serbia.

In terms of this Law, projects of particular importance to the Republic of Serbia are projects of construction and reconstruction of line infrastructure structures that have impact on an overall development of the Republic of Serbia, balanced regional and local economic development, international, regional and interior territorial connection, improvement of connectivity, prevention of the degradation of the parts of the territory of the Republic of Serbia, ensuring and improving population's subsistence, social development and environmental protection thereby enhancing an overall living standard of the citizens of the Republic of Serbia.

Procedures of rehabilitation, maintenance, renovation, modernization and other works on line infrastructure structure shall be subject to the provisions of the law governing that type of line infrastructure structure unless otherwise stipulated by this Law. The novelty of the Law is for cases during construction in which the scope of work needs to be conducted outside the area of already acquired land, such land shall be acquired through a negotiated settlement between the owner and the BoE.

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<sup>12</sup> English version of the Law available at the website of the Ministry of Construction, Transport and Infrastructure, [https://www.mgsi.gov.rs/sites/default/files/LAW%20on%20Special%20Procedures%20for%20the%20Implementation%20of%20the%20Project%20of%20Construction%20and%20Reconstruction%20of%20Line%20Infrastructure%20Structures%20of%20Particular%20Importance%20to%20the%20Republic%20of%20Serbia\\_0.pdf](https://www.mgsi.gov.rs/sites/default/files/LAW%20on%20Special%20Procedures%20for%20the%20Implementation%20of%20the%20Project%20of%20Construction%20and%20Reconstruction%20of%20Line%20Infrastructure%20Structures%20of%20Particular%20Importance%20to%20the%20Republic%20of%20Serbia_0.pdf)

Unless differently regulated by this law, the Law on Expropriation shall govern the Land acquisition process. This is a step-by-step presentation of the expropriation process, as defined by this Law:

- Declaration of the public interest: The Government of Serbia as proposed by the line ministry for construction declares the public interest and determines the Beneficiary on Expropriation (Republic of Serbia, autonomous province and local self-government unit, or a legal entity whose founder or majority owner is the Republic of Serbia, autonomous province or local self-government unit that manage such structures, perform some of managerial activities in relation to such structures or exercise investor's rights based on the law or the decision of the Government of the Republic of Serbia). The declaration of Public interest shall be valid until the permit to use for the respective structure is obtained.
- Commencement of the process: The process commences as replicated under the Law on Expropriation with the Beneficiary of Expropriation submitting the expropriation proposal to the relevant administrative authority (Local Self Government governed by the geographic location of the property) by the BoE. The proposal, inter alia, contains details on the owners and properties for which expropriation is proposed, and evidence that adequate funds are available for compensation either through secured funds within the budget, or an instrument alike, securing the payment of compensation, in accordance with the regulations governing public finances.
- Land Plan Schedule: For purposes of expropriation a land Plan Schedule (expropriation design) is developed regardless of the type of land to be acquired unless such design is already integrated into the respective planning document. Division of parcels by any such plan shall be recorded by the Cadastral Authority, outside the administrative procedure, and no separate formal act shall be issued.
- Stakeholder engagement: Prior to deciding on the request, the owner of the property will provide his/her response to the proposal within 5 days (agreeing or opposing to the process). Additional face-to-face evidential hearings will be held so new evidence can be introduced if needed.
- Absentees and unknown title holders: If following a diligent process, the owner of the property is still not identified a legal representative shall be appointed to represent the absent or unknown owner's interest during the process.
- Decision on Expropriation: upon receipt of the owner's response within another 5 days the formal decision on expropriation will be issued.
- Legal recourse: against the decision on expropriation an appeal can be submitted to the Ministry of Finance within 8 days following the day of the receipt of the decision. The appeal process will not withhold the permitting procedure subject to the liability risk statement submitted by the BoE accepting the risk of the decision of expropriation to be overturned.
- The Compensation: upon legal validity of expropriation the process of determining the compensation begins. The BoE and the owner can decide to agree on a negotiated settlement before the decision becomes legally valid in which case the agreement comprises both elements of the decision on expropriation and the compensation agreement  
Compensation for land: it is the remit of the Tax authority to assess the market value of land affected. In absence of valid market value indicators, or if they differ from market value indicators used in the area, the authority shall take into consideration past land acquisition processes for linear infrastructure.  
Compensation for crops and immovable assets on land: the compensation process is governed by the relevant provisions of the Law on Expropriation.  
Compensation for informal structures: if construction land hosting a structure constructed opposed to construction regulation, but the process of legalizing such construction has not been concluded, the compensation is determined at construction cost.
- Competence of the Judicial system: If within two months upon the date of legal validity of the Expropriation decision, the parties have not come to a settlement agreement, the municipal

administration shall refer such case without delay to the basic court. The court will determine the compensation in a process driven by urgency.

## 2.6 WB standards on Land Acquisition, Restrictions on Land Use, and Involuntary Resettlement (ESS5)

Bank supported projects involving Land Acquisition, Restrictions on Land Use and Involuntary Resettlement are subject to ESS5<sup>13</sup>. The relevance of ESS5 is established during the due diligence process and environmental and social assessment described in ESS1.

The ESS5 also applies to facilities or activities identified as “Associated Facilities” which mean facilities or activities that are not funded as part of the project and, in the judgment of the Bank, may meet all three criteria and are: (a) directly and significantly related to the project; and (b) carried out, or planned to be carried out, contemporaneously with the project; and (c) necessary for the project to be viable and would not have been constructed, expanded or conducted if the project did not exist. The policy describes the procedures and instruments for mitigating negative economic and social issues that may arise. ESS5 is relevant in all cases when land acquisition or restrictions on land use may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood), or both.

The overall objectives of ESS5 are the following:

- To avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring project design alternatives.
- To avoid forced eviction.
- To mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by: (a) providing timely compensation for loss of assets at replacement cost and (b) assisting displaced persons in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.
- To improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure.
- To conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant.
- To ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.

## 2.7 Gap analysis

The objectives of ESS5 are clear in their aim to avoid involuntary resettlement caused by land acquisition measures wherever feasible, and if this is not possible, to apply such compensation principles for impacts on all PAPs and to restore their livelihoods at least to pre-project level. In general, the institutional framework for expropriation in Serbia is not completely in compliance with

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<sup>13</sup> <http://pubdocs.worldbank.org/en/837721522762050108/Environmental-and-Social-Framework.pdf#page=29&zoom=80>

the ESS5, major differences are in the area of requirements to compensate at replacement cost for land vis-à-vis the national requirement of compensating land at market value without payment of transitional costs as part of compensation package. Additionally, the national law includes decrease of value for structures by depreciation and it does not recognize informal users, occupiers and settlements to the meaning assigned in ESS5 while de facto users without formal title but with title recognizable under the national system are recognized. There are no requirements for a project specific grievance mechanism, a social impact assessment, gender disaggregated data, and has limited public consultation process. Assistance to vulnerable persons or groups is not recognized per se with pre-defined targeted additional measure, although the socio-economic characteristics of the owner/affected person and those of the members of his his/her household may be considered in determination the compensation amount and other benefits.

The table below provides an overview of specific gaps between the national land acquisition law vis - à-vis ESS5 and the recommendations for remedy and/or mitigation in order to comply with the ESS5 requirements.

**Table 1 - Gap analysis**

<b>Subject</b>	<b>Law on Expropriation</b>	<b>Law on Special Procedures</b>	<b>WB ESS5 and good international resettlement standards</b>	<b>Gaps and measures for bridging the gaps</b>
Resettlement instruments, census and social impact assessment	The only documents prepared are part of construction plans, the Expropriation study is an inventory of land impacted and formal owners without tackling socio-economic issues.	The only documents prepared are part of construction plans, the Expropriation study is an inventory of land impacted and formal owners without tackling socio-economic issues.	Resettlement Plan is prepared proportionate to the risks and impacts associated with the (sub)projects. Where the likely nature or magnitude of the land acquisition or restrictions on land use is unknown, RPF is prepared. Census and socioeconomic survey must be conducted to identify PAPs, their demographic and socioeconomic characteristics, inventory of assets affected, magnitude of losses and extent of displacement, information on vulnerable groups or persons and additional studies the Bank may deem relevant.	This RPF and a site-specific RAPs, if necessary, will be developed per ESS5, in addition to national legal requirements. Census and socioeconomic survey conducted according to WB requirement in addition to requirements under national legislation
Avoidance and minimization of involuntary resettlement	There are no specific requirements to minimize involuntary resettlement although a multi-criteria analysis is part of the adaptive design process.	There are no specific requirements to minimize involuntary resettlement although a multi-criteria analysis is part of the adaptive design process.	Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs. The Borrower will consider feasible alternative project designs to avoid or at least minimize displacement.	The PIU will seek to minimize physical and/or economic displacement. All alternatives and measures explored to avoid or minimize negative impact will be recorded in the internal periodical (monthly or quarterly) report required by the WB.
Public consultations on resettlement instruments	The formal title holders (including those with recognizable rights) are contacted only at the very process of expropriation. There is no requirements for public consultation apart from the spatial planning phase under the Planning and construction law.	The formal title holders (including those with recognizable rights) are contacted only at the very process of expropriation there is no requirements for public consultation apart from the spatial planning phase under the Planning and construction la	Meaningful consultations with affected persons and communities, local authorities, and other stakeholders need to be carried out during the preparation and implementation of resettlement instruments and throughout all phases of the Project.	National legislation does not require public consultation with affected persons and communities at the extent and reach of those envisaged by ESS. The PIU shall disclose RPF and RAP (if applicable) to PAPs and stakeholders and conduct consultation meetings as described in this RPF throughout all phases of the Project.

Subject	Law on Expropriation	Law on Special Procedures	WB ESS5 and good international resettlement standards	Gaps and measures for bridging the gaps
Cut-off date for eligibility and census	Investments made after being notified of the Expropriation proposal shall not be compensated, unless such investments were unavoidably needed.	Investments made after being notified of the Expropriation proposal shall not be compensated, unless such investments were unavoidably needed.	Normally, the cut-off date is when census begins but could also be the date the project area was delineated, prior to the census, provided that there has been an effective public dissemination of information on the area delineated, and systematic and continuous dissemination subsequent to the delineation to prevent further population influx.	The cut-off date shall correspond to any such date when the official request for determination of the Public Interest is sent to relevant authority. This will be publicly announced and published by the BoE, at their official website, in local newspapers, on notice boards on local governments and spaces commonly and frequently used by the community, informing general public, owners and users of the cut-off date and the contact persons who may be contacted by PAPs for further information. This information will include posted warnings that persons settling in the project area after the cut-off date may be subject to removal.
Eligibility for compensation	The Expropriation Law recognizes only formal title holders and holders of rights recognizable under national laws (factual ownership).	The Law recognizes only formal title holders and holders of rights recognizable under national laws (factual ownership).	Besides formal owners, ESS5 also recognizes those who have no recognizable legal right or claim to the land they are occupying on Cut-off Date as eligible for relocation and rehabilitation assistance and compensation for loss of non-land assets at replacement value.	Compensation and assistance to PAPs without legal right or claims will be made per principles and entitlements provided in the entitlement matrix of this RPF, if they are present in the Project affected area at the time of the cut-off date. Asset inventory and valuations of their affected properties will be conducted and all measures will be recorded in the internal periodical (monthly or quarterly) Project progress report.



Subject	Law on Expropriation	Law on Special Procedures	WB ESS5 and good international resettlement standards	Gaps and measures for bridging the gaps
Valuation methodology for compensation for assets attached to the land	<p>Compensation for loss of properties and assets should be at least equal to the market price. Depreciation is deducted from compensation (or included by decreasing the market price value appraisal). The Expropriation Law does not specifically mention compensation for the costs of any registration fees and transfer taxes.</p>	<p>Compensation for loss of properties and assets should be at the market value.</p>	<p>Compensation equal to full replacement cost without depreciation.</p>	<p>Compensation and assistance to PAPs will be equal to full replacement cost as provided in the entitlement matrix of this RPF.</p>
Escrow accounts	<p>There is no requirement to have an escrow account. However, the BoE is required to submit proof of financial funds for compensation prior to start of expropriation. If there is a court process about the compensation value, court can order funds to be deposited in court deposit account.</p>	<p>There is no requirement to have an escrow account. However, the BoE is required to submit proof of financial funds for compensation prior to start of expropriation. If there is a court process about the compensation value, court can order funds to be deposited in court deposit account.</p>	<p>If there are significant difficulties related to the payment of compensation to particular affected persons, on an exceptional basis, with prior agreement of the Bank, the PIU may deposit compensation (plus contingencies) into an interest-bearing escrow or other deposit account.</p>	<p>Compensation funds as required by the RAP/RPF including contingencies, can be deposited into interest-bearing accounts, if necessary, however only under exceptional circumstances and with prior approval obtained from WB. Compensation placed in escrow will be made available to eligible persons in a timely manner as issues are resolved.</p>

Subject	Law on Expropriation	Law on Special Procedures	WB ESS5 and good international resettlement standards	Gaps and measures for bridging the gaps
Taking possession of land and related assets	The expropriated land and related assets can be taken into possession when the agreement on compensation is signed or the decision on compensation, when determined by the judicial authorities, becomes legally binding. However, if BoE can prove urgency needs or damages if possession is not allowed, administrative authority in charge of expropriation can allow taking possession prior to compensation payment, which in practice happens often.	The expropriated land and related assets can be taken into possession when the agreement on compensation is signed or the decision on compensation, when determined by the judicial authorities, becomes legally binding. However, if BoE can prove urgency needs or damages if possession is not allowed, administrative authority in charge of expropriation can allow taking possession prior to compensation payment, which in practice happens often.	Taking possession of assets only after full payment of compensation is a rule. In certain cases there may be significant difficulties related to the payment of compensation to particular affected persons, for example, where repeated efforts to contact absentee owners have failed, where project-affected persons have rejected compensation that has been offered to them in accordance with the approved plan, or where competing claims to the ownership of lands or assets are subject to lengthy legal proceedings, Borrower may be allowed to take possession of the property but only with prior consent of the WB and after showing adequate funds has been placed in the escrow account.	Taking of land and related assets after payment of compensation (or depositing to an escrow account as applicable) shall apply as a rule. If the offer is rejected, the land and related assets can be taken once the funds equal to the offered amount plus 10% have been secured and earmarked in a designated interest-bearing escrow account, and with prior approval of WB, and the MoF has endorsed such taking by rendering case to case based decisions in compliance with the Law.
Transitional Support	The Expropriation Law doesn't recognize any form of transitional allowance.	The Expropriation Law doesn't recognize any form of transitional allowance.	Transitional support will be provided as necessary to all economically displaced persons, based on a reasonable estimate of the time required to restore their income-earning capacity, production levels, and standards of living. This may include payment for lost crops and lost natural resources, payment of lost profits for businesses, or payment of lost wages for employees affected by business relocation.	The PIU will ensure that displaced persons receive transitional support per entitlement of this RPF.

Subject	Law on Expropriation	Law on Special Procedures	WB ESS5 and good international resettlement standards	Gaps and measures for bridging the gaps
Loss of benefits and income for workers and employees	Compensation for loss of income related to expropriation is outside the scope of the pertinent law. Such loss shall be compensated subject to a court decision on merits and amount payable	Compensation for loss of income related to expropriation is outside the scope of the pertinent law. Such loss shall be compensated subject to a court decision on merits and amount payable	In addition to compensation at full replacement cost and transitional support, displaced persons must be assisted in their efforts to improve, or at least restore, their livelihoods and living standards.	Each site-specific RAP shall include measures and design adequate support and assistance commensurate to the impact, as a way to bridge the gap, and all measures must be demonstrated and documented to the satisfaction of the WB.
Gender aspects	Men and women are equal under the law of the Republic of Serbia, including the right to hold titles.	Men and women are equal under the law of the Republic of Serbia, including the right to hold titles	Women's perspectives must be obtained through consultation and their interests factored into all aspects. Documentation of ownership or occupancy and compensation should be issued in the names of both spouses wherever possible, and other resettlement assistance, such as skills training, access to credit, and job opportunities, should be equally available to women and adapted to their needs.	Particularly in some rural areas, women's participation in consultations may be limited. Women only consultation may be held as relevant. Documentation of ownership or occupancy and compensation should be issued in the names of both spouses, and other resettlement assistance, such as skills training, access to credit, and job opportunities, should be equally available to women and adapted to their needs.

Subject	Law on Expropriation	Law on Special Procedures	WB ESS5 and good international resettlement standards	Gaps and measures for bridging the gaps
Grievance Mechanism (GM)	Project specific grievance mechanisms, alongside institutional mechanisms, are not required.	Project specific grievance mechanisms, alongside institutional mechanisms, are not required	The Borrower will ensure that a grievance mechanism for the project is in place, in accordance with ESS10 as early as possible in project development to address specific concerns about compensation, relocation or livelihood restoration measures raised by displaced persons (or others) in a timely fashion.	The PIU shall establish a Project Grievance Mechanism as described in the RPF scaled to the risks and adverse impacts of the Project. Appropriate, affordable (free) and accessible procedures to address concerns and grievances will be established; such grievance mechanisms should consider the availability of judicial recourse and community and traditional dispute settlement mechanisms.
Monitoring & Evaluation	No specific monitoring procedures are required other than procedural administrative institutional oversight	No specific monitoring procedures are required other than procedural administrative institutional oversight	The Borrower will establish procedures to monitor and evaluate the implementation of the plan and will take corrective action as necessary during implementation to achieve the objectives of the ESS. The extent of monitoring activities will be proportionate to the project's risks and impacts. For all projects with significant involuntary resettlement impacts, the Borrower will retain competent resettlement professionals to monitor the implementation of resettlement plans, design corrective actions as necessary, provide advice on compliance with the ESS and produce periodic monitoring reports.	The PIU will be responsible for monitoring in line with the requirements set out in the ESS, this RPF and any subsequent RAPs. All monitoring and evaluation measures must be demonstrated and documented to the satisfaction of the WB, and will be recorded in the internal periodical (monthly or quarterly) project progress report. Affected persons will be consulted during the monitoring process as described in the Chapter of this RPF about the SEL.

## 3 Resettlement strategies applicable to the Project

### 3.1 Key Principles

Key principles which will govern all land acquisition and resettlement activities by the PIU or conducted on behalf of the PIU, including for Associated Facilities (in the meaning as assigned in this RPF) will be incorporated into all site-specific RAP(s). These are summarized as follows:

- Involuntary resettlement will be avoided, or if not possible, minimized by exploring feasible alternatives in Sub-project designs.
- Resettlement and compensation of Project-Affected People will be carried out in compliance with Serbian legislation and World Bank's ESS5, where the more stringent (more beneficial to PAPs) requirement will take precedence.
- All PAPs will be compensated for their losses at replacement cost and additional assistance will be provided appropriate to individual impact and suited to individual needs of PAP, in order to allow restoration to at least pre-displacement level.
- Taking of land and related assets may occur once payment of compensation is completed (this includes depositing the amounts of compensation to escrow accounts, or accounts alike in justified situations and cases).
- Differentiated measures will be adopted and carried out so that adverse impacts do not fall disproportionately on the disadvantaged or vulnerable groups/individuals, if any.
- Besides mandatory stakeholder engagement and public consultations, PIU will keep an open dialog channel through-out the full life of the (sub-)projects with stakeholders, PAPs and the impacted local communities.
- The RAP implementation and outcomes will be monitored and evaluated by the PIU, and all measures must be demonstrated and documented to the satisfaction of the WB, and be recorded in the internal periodical (monthly or quarterly) report required by the WB.

### 3.2 Estimated displacement impacts

As sub-projects designs are not yet developed the scale, magnitude and type of displacement impacts cannot be estimated. Once sub-projects are known, they will undergo a screening and social analysis to identify and assess the potential social risks and impacts of the proposed sub-projects. These processes and their findings inclusive of mitigation measures will be documented as part of the project/subproject package, as described in the Chapter 4.1 of this RPF.

### 3.3 The Cut-off date

To prevent land and asset speculations, influx and encroachment to the project area a Cut-off date for compensation eligibility will be established. This will correspond to the date on which the request for determination of Public Interest for expropriation is submitted to the relevant authority. At the same time the household/assets survey will commence. A moratorium notices together with the announcement of the beginning of the household/asset survey together with appropriate dissemination of the information (including the closing date) to all potentially interested parties, including illegal/informal occupant will be ensured. Public Disclosure that the request has been submitted, together with the moratorium notice shall be publicly announced by using the:

- website of the PIU (<http://www.mgsi.gov.rs/>)
- website of the PIT in Infastruktura Zeleznice Srbije, (<https://infrazs.rs/>,
- website of the PIT in Srbija Voz <https://www.srbvoz.rs/>,
- website of the PIT in Srbija Cargo <http://portal.srbcargo.rs/kargoportal/>),
- website of the PIT in Rail Directorate <http://www.raildir.gov.rs/>
- websites and notice boards of affected local municipalities, and
- through printed media announcements,
- notice boards on the future construction sites.

Any question, concern or request for clarification on the effects and consequences of the Cut-off date are to be directed to the project specific Grievance Mechanism via designated channels as provided under chapter 6.

Persons who encroach on the project area after the cut-off date are not entitled to compensation or any other form of resettlement assistance.

### 3.4 Eligibility criteria

The unit of entitlement is any individual eligible to receive compensation or rehabilitation benefits. The determination of eligibility is based on the Census and inventory of all assets impacted by the Project to allow full compensation in line with the Entitlement Matrix. All PAPs identified prior to the Cut-off date shall be entitled to compensation, according to the compensation principles of the law, this RPF and ESS5, whereas the more stringent (more beneficial to the PAPs) requirements shall prevail.

PAPs are defined to include the following categories:

- PAPs with formal title ownership on the land, that lose all or part of their land;
- PAPs with formal title ownership, who have immovable property with or without building permissions on the land to be expropriated;
- PAPs with formal title over businesses that are affected by the loss of all or part of the land on which businesses are located;
- PAPs with formal title over animal husbandries and agricultural processors that are affected by the loss of all or part of the land on which they are based;
- PAPs with formal title of tenancy on private or public land;
- PAPs with formal title over land that will be needed during construction on a temporary basis;
- PAPs without formal title on affected land or businesses but their livelihoods are directly dependent on the affected land or businesses (e.g., those working on affected agricultural land or working in the affected businesses);
- PAPs without formal title of ownership or use but who have established usage of public or private land by investing in immovable objects, crops, woods, trees, fruit bearing trees, vineyards, the age of crops, and the time needed to reproduce them;
- PAPs without any formal or recognizable legal right to the property they are occupying prior to the Cut-off date; and
- Any affected community facilities will also be reconstructed or necessary support will be provided.

### 3.5 Entitlement matrix

The entitlements for different categories of impact and PAPs shall be as per the Entitlement Matrix as adopted in this RPF. As a general rule, in case of:

Physical displacement PAPs will be offered choices among feasible resettlement options, including adequate replacement housing or cash compensation at replacement cost and provided with relocation assistance suited to the needs of each group of displaced persons and appropriate to their loss of assets.

In all cases of economic displacement, when sub-projects affect livelihoods or income generation, measures will be designed to allow affected persons to improve, or at least restore, their incomes or livelihoods.

The universe of entitlements, eligibility for compensation and compensation evaluation methods for land acquisition and resettlement under this RPF are summarized in the Table 2 below.

Table 2 - Entitlement matrix

Type of loss Economic Displacement	Person with rights	Compensation policy
<b>LAND</b>		
Agricultural land regardless to severity of loss (whether partial or complete loss)	Owner with formal property title (including owner with legally recognizable claim)	Replacement land of equal or higher value and similar productivity in direct proximity or in the surroundings of the expropriated land together with all costs of resettlement and administrative fees needed for transfer of ownership rights, if any. Or cash compensation at replacement costs; + Transitional allowance equal to 3-month minimum wage at country, if needed.
	Lessee with valid documents of the right of lease who cultivates agricultural land pursuant to agreement	Compensation for all improvements on land (such as irrigation, hail protection etc.). Compensation will be paid at replacement cost. + Moving allowance i.e. Costs of equipment relocation and installation + Offer replacement land for lease, if land was leased from state, or transitional allowance equal to 3 months' minimum wage at country level while identifying a viable alternative location, + Lost net income during the period of transition (measured based on census survey)
	PAPs without formal title (users of agricultural land and livelihood is land based)	PAPs without a formal title who were in possession of the cultivated land on Cut-off date will not receive compensation for the land but will be compensated for all investments made on land at replacement cost and will be offered use of other land with safe and long-term agricultural use (lease of state land), or compensation for the cost of identifying a viable alternative location, + Moving allowance i.e. Costs of equipment relocation and installation + Lost net income during the period of transition (measured based on census survey) + Transitional allowance equal to 3-month minimum wage at country level, if needed.



Type of loss Economic Displacement	Person with rights	Compensation policy
Construction land used for business enterprise, regardless to severity of loss (whether partial or complete loss)	Owner with formal or recognizable title, or users of publicly/state owned construction land, and pre-nationalization owners	Cash compensation at replacement costs, or At property owner demand, if legal terms are met, replacement land of equal or higher value and similar value in direct proximity or in the surroundings of the expropriated land together with all costs of resettlement and administrative fees needed for transfer of ownership rights, if any, + Compensation for all investments on land at replacement cost + Costs of equipment relocation and installation + Lost net income during the period of transition measured based on census survey + Transitional allowance and assistance, equal to 3-month minimum wage at country level if needed.
	Lessee with valid documents of the right of lease	Compensation for all investments on land at replacement cost + Costs of equipment relocation and installation + Lost net income during the period of transition measured based on census survey + Replacement land for lease, if land was leased from state, or transition support equal to 3 months' minimum wage at country level while identifying a viable alternative location, + Compensation for all rent paid in advance, for the period not expired
	PAPs without formal title	PAPs without a formal title who were in possession of the land on Cut-off date will not receive compensation for the land, but will be compensated for all investments made on land at replacement cost. Moving allowance i.e. Costs of equipment relocation and installation + Lost net income during the period of transition (measured based on census survey) + Transitional allowance equal to 3-month minimum wage at country level, if needed
Agricultural or commercial (construction) land becoming economically unviable	Property owners, or users of publicly/state owned construction land	In case the remaining area of land is not viable (viability of land will be assessed on a case to case basis by an independent expert and will take into account economic indicators, and safety and accessibility for human use or occupancy), it can be expropriated upon PAPs request and compensated according to type of property.
<b>PLANTS AND STRUCTURES ON AGRICULTURAL LAND (other than houses)</b>		

Type of loss Economic Displacement	Person with rights	Compensation policy
Loss of annual crops, that could not have been harvested prior to land repossession	Owners of crops without regard to the legality and types of their tenure rights over the land	Cash compensation at replacement cost. Loss of annual crop will be avoided by adjusting construction schedule
Loss of perennial plants and trees (fruit bearing trees, vineyards and fruit bearing plants)	Owners of plants without regard to the legality and types of their tenure rights over the land	The right to collect fruits or lumber + Cash compensation at replacement cost based on sort, year and productive value, including the value of time needed to produce such crop and net income loss, as well as costs of investment (work and labor force), to plant a new vineyard, orchard or similar, till the moment it reaches the full fructuous potential.
Affected vineyards and orchards not yet fruit bearing		Cash compensation sufficient to re-establish or buy a similar vineyard or orchard, including the value of time needed to reproduce a replacement vineyard or orchard and net income loss.
Wood mass (mature or nearly mature)		The replacement cost determined based on the value of the “wood on the stump” at market value
Forests without mature wood mass		Cash compensation sufficient to re-establish a similar forest, including the value of time needed to reproduce a replacement forest and net income loss.
Nursery not yet yielding		Cash compensation sufficient to re-establish planting material (nursery and other reproductive material).
Buildings used for keeping and raising livestock (sheds, stables, etc.)	Owners of structures used for keeping livestock	Cash compensation at replacement costs, or; At property owner demand, if legal terms are met, appropriate replacement property + costs of resettlement and administrative fees needed for transfer of ownership rights, if any; + transition support equal to 3-month minimum wage at country level while identifying a viable alternative location, if owner doesn't own alternative location. + Lost net income during the period of transition (measured based on census survey) + Transitional allowance equal to 3-month minimum wage at country level, if needed, if needed.

Type of loss Economic Displacement	Person with rights	Compensation policy
Impact on agricultural employees, or processors	Workers, employees	In case of disturbance of income source transition support equal to 3-month minimum wage at country level, + Training for alternative jobs if possible and if needed; + Priority in employment on the Project, if possible and on a case by case basis (In accordance with social assessment processed in RAPs)
<b><i>BUSINESS (but not agriculture)</i></b>		
Business structures (shops, offices buildings) etc.	Owners with formal title (including owner with legally recognizable claim)	Cash compensation at replacement costs, including taxes + Costs of equipment and inventory relocation and re-installation + transitional support equal to 3-month minimum wage at country level while identifying a viable alternative location Lost net income during the period of transition (measured based on census survey)
	Lessee operating in the premises under a valid lease contract	Compensation for all improvements on premises (such as reconstruction, refurbishment etc.). Compensation will be paid at replacement cost. + Costs of equipment and inventory relocation and re-installation, + transitional support equal to 3-month minimum wage at country level while and Compensation for the cost of identifying a viable alternative location + Replacement premises for lease, if premises were leased from state + Lost net income during the period of transition (measured based on census survey)
	PAPs, owners without formal title (building constructed without building permit on land they own, or land owned by third persons- commonly state owned)	Cash compensation for the building at replacement cost of the structure, including taxes + Transitional allowance up to 3-month at the value of operation costs including Costs of equipment and inventory relocation and re-installation Compensation for the cost of identifying a viable alternative location

Type of loss Economic Displacement	Person with rights	Compensation policy
Loss of any non-agricultural business	Owner of business (regardless if formally registered or not as long as the activity is not sanctioned under the law)	Cost of moving, including compensation for immovable inventory and replacement cost of investment. + Transitional allowance for 3-month of loss of net income during the period of transition (net income measured based on census survey) + Appropriate level of support for improving the skills if necessary, to restore and/or diversify source of livelihood.
Loss of non-agricultural businesses	Workers, employees	If employment is terminated or disrupted due to land acquisition allowance on a one-off basis in the amount of three month's salaries will be paid commensurate with income loss. To be determined on a case-to-case basis + Training for alternative jobs if possible. + Priority in employment on the Project, if possible and on a case-to-case basis (In accordance with social assessment processed in RAPs)
Loss of buildings (houses, flats) leased and providing source of livelihood	Owner of property	Cash compensation for lost assets at full replacement cost + Relocation cost (moving allowance) and cash compensation on a one-off basis (transitional allowance, if the rent was the main source of livelihood).
<b>PHYSICAL RESETTLEMENT</b>		
Buildings (residential, houses, apartments etc.)	Owner with formal title (including owner with legally recognizable claim)	Cash compensation at replacement costs, or; replacement property of equal or higher value, in direct proximity or in the surroundings of the expropriated property together with all costs of resettlement and administrative fees needed for transfer of ownership rights, if any; + Payment for relocation costs (moving allowance) and compensation for other costs during relocation i.e. transitional support equal to 3-month minimum wage at country level (transitional allowance).
	Informal owner - building constructed without building permit on one's own plot of land if subject to legalization	

Type of loss Economic Displacement	Person with rights	Compensation policy
	Informal owner - building constructed without building permit on one's own plot of land or constructed without building permit on someone else's or state-owned - not eligible for legalization	Cash compensation for the building at replacement cost of the structure + Provide arrangements to allow them to obtain adequate housing with security of tenure (if they don't own other structures) + Payment for relocation costs (moving allowance) and compensation for other costs during relocation i.e. transitional support equal to 3-month minimum wage at country level
	Lessee of the affected property	Payment of moving allowance and compensation for other costs caused by relocation and cash compensation i.e. transitional support equal to 3-month minimum wage at country level.
	Lessee or person with occupancy right to state owned flat	Provide lease or occupancy rights of same kind of another equivalent, social or state-owned property in the vicinity. If equivalent state or socially owned flat is not available in the vicinity, PAP will be offered state or social owned flat more remote from the area of expropriated flat, + Payment for relocation costs (moving allowance) and compensation for other costs during relocation i.e. transitional support equal to 3-month minimum wage at country level + Transitional assistance suited to the needs of each group of displaced persons.
<b>OTHER RESETTLEMENT SITUATIONS</b>		
Publicly or state-owned buildings, or part of buildings	Informal users, squatters	Provide arrangements to allow them to obtain adequate housing with security of tenure (if they don't own other structures) + Payment for relocation costs (moving allowance) and compensation for other costs during relocation and cash compensation on a one-off basis (transitional allowance). + Transitional assistance suited to the needs of each group of displaced persons.
Loss of access to usual natural resources and buildings	Communities, businesses, individuals or households	Replacement of public ownership or conveniences (roads and similar) and provide access to equal conveniences or services. Measures will be implemented to either allow continued access to affected resources or to provide access to alternative resources with equivalent livelihood-earning potential and accessibility. Where community property resources are affected, compensation associated with restrictions on natural resource usage may be collective by nature

Type of loss Economic Displacement	Person with rights	Compensation policy
Impacts caused by temporary occupancy of land and any damages to the property	Property owner (including owner with legally recognizable claim)	Market price of lease for duration of the occupancy. 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 differently with PAP. + Replacement cost in accordance with this matrix for affected crops, orchards, nurseries etc. + Compensation for any damages to the property evaluated at replacement costs.
Established permanent easement rights on the property (i.e. right of way over land or property)	Property owner (including owner with legally recognizable claim)	Compensation for decrease of market value of land or building due to easement rights implementation + Compensation at replacement cost for affected crops, orchards, nurseries etc. in accordance with relevant sections of this matrix. + Compensation for any permanent loss of income due to easement evaluated at replacement costs as assessed by accredited experts by assessing net gains potential of land after easement.
Impact on vulnerable groups	Vulnerable PAPs: persons below the poverty line in accordance with national laws, households led by women, single parents, elderly, disabled person or those with long-term health problems.	On top of all rights defined in this matrix, vulnerable PAPs will be provided additional assistance including legal assistance and help. Any additional support required for any affected vulnerable households will be determined on case-to-case basis during socio-economic survey. Main drivers of vulnerability will be taken into account and in consultation with PAPs. RAPs shall develop a detailed methodology based on the socio-economic surveys. These PAPs are given priority of employment on the project if possible.
Undetermined impact	Owner or formal beneficiary	Any undetermined impact will be mitigated in accordance with principles and aims of this RPF

## 4 Resettlement instruments

### 4.1 Social analysis of sub-projects for land acquisition, restriction on land use and involuntary resettlement impacts

The PIU will receive preliminary information from municipalities once the locations of proposed sub-projects are known. The required information shall include a description of the nature, scope and location of the proposed sub-project, accompanied by location maps and any other details as may be required. By using the resettlement screening checklist provided in Annex 2 of this RPF, the social and citizen engagement Specialist within the PIU will verify on site the information provided in cooperation with local authorities, to confirm whether the project has potential involuntary resettlement impacts.

Screening of activities will be carried out by the PIU's Public communications, social and citizen engagement Specialist. The screening reports will be endorsed by the Head of the PIU and submitted to the World Bank. The screening will rely on the following criteria and will aim to faithfully identify whether the proposed sub-projects will have adverse impacts on:

- loss of shelter, physical displacement;
- assets/resources or access to assets/resources;
- loss of income sources or means of livelihood;
- loss of, or loss of access to, land;
- loss of business both permanent and temporary;
- loss of access to education and health of the community;
- loss of community recourse;
- vulnerable persons and households.

The Social analysis will identify persons with formal rights to land and assets (including customary and traditional rights recognized under the laws of the country). The analysis will also identify persons who do not have formal rights to land but have a claim to such land and assets. It will not rely only on the use and analysis of secondary data that is readily available, but will also require a walk-over survey to validate that the secondary data provides a true, reliable and accurate accounting of the social environment. In cases where no conclusive decisions can be drawn from the walkover survey, further efforts will be made to acquire and verify information through key informant interviews, focus group discussions and other adequate methodology. If the analysis finds that such impacts as described above are present on sub-project affected land, a RAP applicable will be prepared based on the principles and guidance provided by the RPF.

### 4.2 Resettlement action plan (RAP)

#### 4.2.1 Minimum elements of the RAP

The scope and level of detail of the RAP vary with the magnitude and complexity of resettlement caused by the sub-project. The plan is based on up-to-date and reliable information about (a) the proposed sub-project and its potential impacts on the displaced persons and other adversely affected

groups, (b) appropriate and feasible mitigation measures, and (c) the legal and institutional arrangements required for effective implementation of resettlement measures.

Any site-specific RAP shall include at the minimum following elements as specified in the ESS5:

- Description of the project: General description of the project and identification of the project area;
- Potential impacts identification: activities that give rise to displacement, scope and scale of land acquisition and impacts on structures and other fixed assets, or imposed restriction of use, alternatives considered to avoid or minimize displacement, mechanisms to minimize displacement during project implementation etc.;
- Objectives: The main objectives of the resettlement program;
- Census survey and baseline socioeconomic studies;
- Legal framework: compulsory acquisition and imposition of land use restriction and the nature of compensation associated with it, in terms of both the valuation methodology and the timing of payment, applicable legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process, laws and regulations relating to the agencies responsible for implementing resettlement activities, gaps, if any, between local laws and practices and ESS5, and the mechanisms to bridge such gaps etc.;
- Institutional framework: identification of agencies responsible for resettlement activities, assessment of the institutional capacity of such agencies, steps that are proposed to enhance the institutional capacity of agencies etc.;
- Eligibility: Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cutoff dates;
- Valuation of and compensation for losses: methodology to be used in valuation of losses to determine their replacement cost; and a description of the proposed types and levels of compensation under local law and supplementary measures as are necessary to achieve replacement cost value,
- In the case of projects affecting livelihoods or income generation, the Borrower's plan will include measures to allow affected persons to improve, or at least restore, their incomes or livelihoods
- Community participation: Involvement of displaced persons (including host communities, where relevant), strategy for consultation with, and participation of, displaced persons in the design and implementation of the resettlement activities, summary of the views expressed and how these views were taken into account, resettlement alternatives presented and the choices made by displaced persons, institutionalized arrangements by which displaced people can communicate their concerns to project authorities, and measures to ensure that vulnerable groups are adequately represented;
- Implementation schedule: providing anticipated dates for displacement, and estimated initiation and completion dates for all resettlement plan activities;
- Costs and budget: showing categorized cost estimates for all resettlement activities;
- Grievance mechanism: sub-project specific affordable and accessible procedures for third-party settlement of disputes arising from displacement or resettlement;
- Monitoring and evaluation: Arrangements for monitoring of displacement and resettlement activities by the implementing agency, supplemented by third-party monitors, performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities, involvement of the displaced persons in the monitoring process, etc.

Provisions for adapting resettlement implementation should be included in the RAP to order to respond to unforeseeable project conditions, or unanticipated obstacles to achieving satisfactory resettlement outcomes.



When project circumstances require the physical relocation of residents (or businesses), resettlement plans require additional information and planning elements. Additional requirements include:

- Transitional assistance: describes forms of assistance to be provided for relocation of household members and their possessions and in transitional period;
- Environmental protection and management of the planned relocation sites;
- Consultation on relocation arrangements: describes process of consultation with physically displaced persons on their preferences regarding relocation alternatives, choices related to forms of compensation and transitional assistance etc.;
- transitional support equal to 3-month minimum wage at country level while identifying a viable alternative location.

The predicted scope of land acquisition activities is minor, but in case land acquisition or restrictions on use of, or access to, land or natural resources should cause significant economic displacement, arrangements to provide displaced persons with sufficient opportunity to improve, or at least restore, their livelihoods are also incorporated into the RAP, or into a separate livelihoods' improvement plan. These include:

- Direct land replacement: for agricultural livelihood based PAPs, the RAP provides an option to receive replacement land of equivalent productive value or demonstrates that sufficient land of equivalent value is unavailable, etc.;
- Loss of access to land or resources: describes means to obtain substitutes or alternative resources, or otherwise provides support for alternative livelihoods;
- Support for alternative livelihoods: describes feasible arrangements for obtaining employment or for establishing a business, including provision of relevant supplemental assistance including skills training, credit, licenses or permits, or specialized equipment. As warranted, livelihood planning provides special assistance to women, minorities or vulnerable groups who may be disadvantaged in securing alternative livelihoods;
- Consideration of economic development opportunities: identifies and assesses any feasible opportunities to promote improved livelihoods as a result of resettlement processes. This may include, for example, preferential project employment arrangements, support for development of specialized products or markets, preferential commercial zoning and trading arrangements etc.;
- Transitional support: describes transitional support to those whose livelihoods will be disrupted.

#### **4.2.2 Process of development and approval of RAPs**

Activities on the preparation of site-specific, sub-project RAPs will be disclosed in the way to enable meaningful participation of PAPs. That assumes the phase of preliminary preparations will include disclosure of preparations for population census, disclosure of census results while respecting privacy of personal information, disclosure of socio-economic baseline assessment, as well as disclosure of RAP drafts. The purpose of public disclosure and discussions is to ensure meaningful participation of PAPs in the process of preparation, implementation and monitoring of resettlement instruments. Census survey and baseline socioeconomic studies make the core element of the RAP. The purpose of a household-level census is to identify and enumerate PAPs and develop an inventory of affected assets. The census survey also serves other essential functions:

- identify characteristics of displaced households, including a description of production systems, labor, and household organization;

- provide baseline information on PAPs livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population;
  - provide information on vulnerable groups or persons for whom special provisions may have to be made;
  - identify public or community infrastructure, property or services that may be affected;
- provide a basis for the design of and budgeting for the resettlement program; and

- establish baseline conditions for monitoring and evaluation purposes

As the WB may deem relevant, additional studies on the following subjects may be required to supplement or inform the census survey:

- land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, etc.;
- the patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project; and
- social and cultural characteristics of displaced communities, including a description of formal and informal institutions (e.g., community organizations, ritual groups, nongovernmental organizations (NGOs)) that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.

The first draft of RAP shall be submitted to the World Bank for review and clearance to be then disclosed (in English and in Serbian language) by the PIU in areas accessible to affected people, local newspapers in the community(s) affected by the relevant sub-project and on internet portal of the PIU, followed by public consultation with local communities and stakeholders. The PIU shall also issue a summarized information on the RAP, as a guide to land acquisition and compensation, to be distributed either during public consultation or during the first following engagement meeting with PAPs once the expropriation commences. This is to ensure that affected people understand the compensation procedures and know what to expect at the various stages of the sub-project (for example, when an offer will be made to them, how long they will have to respond, grievance procedures, legal procedures to be followed if negotiations fail etc.). Outcomes of the consultation shall be documented and reported with the final document of the RAP and sent to WB for "No Objection". The final RAP will again be disclosed in areas accessible to affected people, published in local newspapers in the community(s) affected by the relevant sub-project and on internet portal of the PIU, and made available throughout the sub-project life cycle.

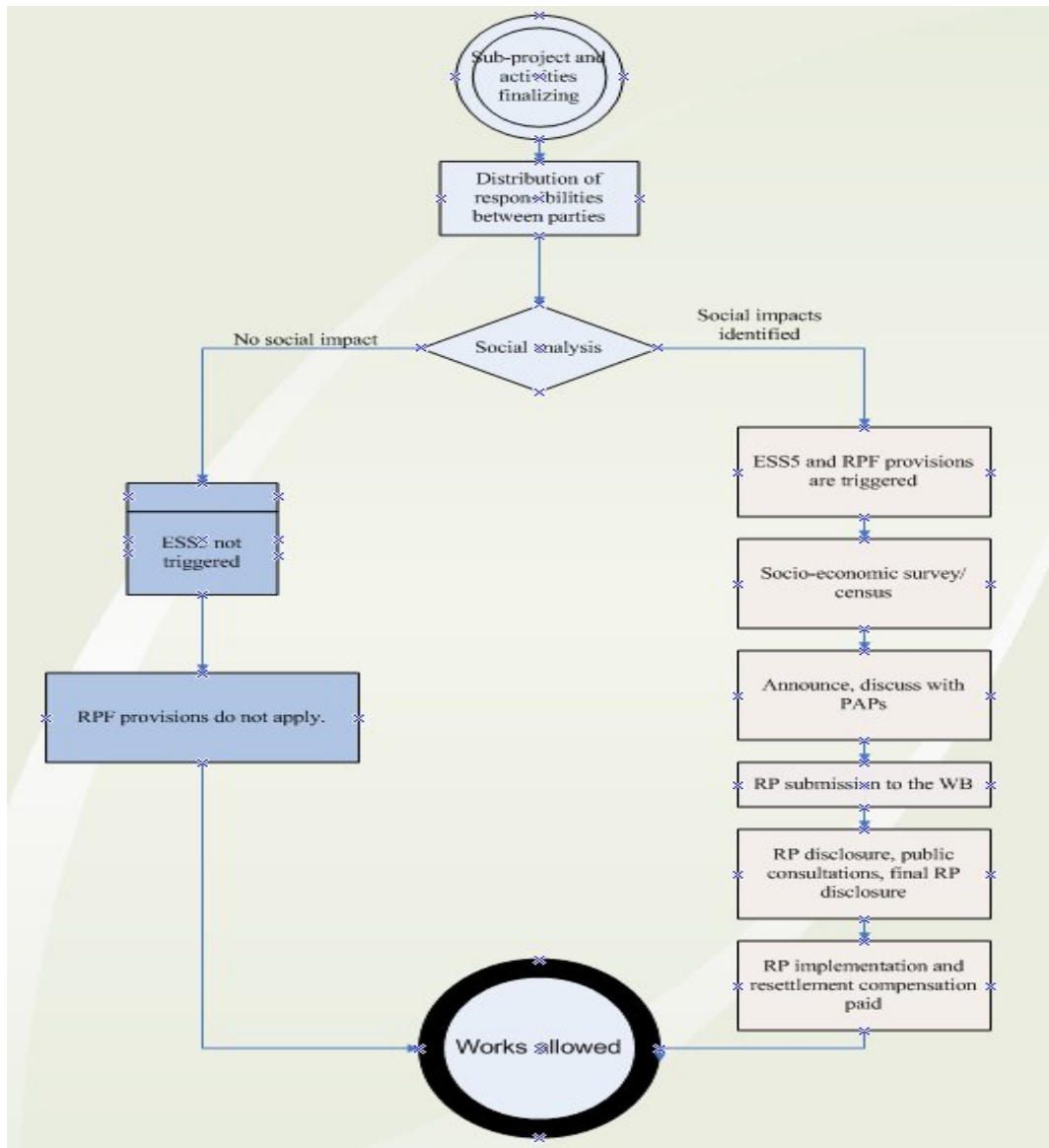


Figure 1 - RAP approval flow chart

### 4.2.3 RAP implementation

No physical and/or economic displacement for any given sub-project will occur until the site-specific RAPs have been finalized and approved by the Bank, and mitigation measures provided in the respective RAP have been implemented.

### 4.3 Resettlement Audit

This ESS 5 applies to permanent or temporary physical and economic displacement undertaken prior to or in parallel to the implementation of the project, but in anticipation of, or in preparation for, the

project. If such cases are identified through the Social analysis of sub-projects, an audit will be undertaken by a Resettlement specialist (to be hired on a need basis in such cases) to: (a) document and assess the adequacy of the mitigation measures employed in light of the ESS5; (b) assess compliance with national legislation; (c) identify gaps in meeting the requirements of ESS5 and this RPF; (d) identify any complaints, grievances, or other outstanding issues; and (e) determine measures to close identified gaps and address complaints. This due diligence is undertaken within an agreed upon time frame that takes into account the context of the project and significance of the prior resettlement. It may not be possible to retroactively satisfy certain aspects of ESS5, such as consultation and disclosure. The due diligence may include review of relevant documents, field visits, interviews, and consultations held with affected persons and other key stakeholders. The Bank's clearance of such audit report, and the implementation of gap filling measures, is the pre-requisite for the start of subprojects in such cases.

# 5 Consultation and disclosure

## 5.1 Public consultations

The PIU will establish an ongoing relationship with affected communities, from as early as possible in the sub-project planning process, and throughout the life of the Project. The engagement process will ensure meaningful consultation with them in order to arrive at common understanding of the nature and duration of the impacts; inform participation on matters that affect them directly; propose mitigation measures; share development benefits and opportunities; and implementation issues. Individual meetings may be held with PAPs regarding specific cases, including upon request by PAPs. All documents prepared in implementation of this RPF, i.e. the RPF, any subsequent sub-project RAP and Resettlement Audit will be disclosed in Serbian and English language, and made available for public feedback not later than 15 days prior to public consultations. Sufficient time shall be provided for uptake of public consultations as well. Public consultations shall be announced through local newspapers, social media, notice boards etc. and on the PIU's internet portal. Project information, and Information about the GM will be disseminated in Serbian and English.

### 5.1.1 Public consultation on this RPF

After the WB provides its No Objection to the draft of this RPF, public consultation on RPF will be held (may be held simultaneously for other approved draft Project documents). The RPF will be disclosed (on the MCTIs website) and available for public insight not less than 14 days prior to public consultations and sufficient time must be given for submitting comments and questions. The public consultation invite will be sent to institutional stakeholders and published in national and local newspapers of communities that are known to be, or may be, affected by the Project. Public consultation will be announced in other media, as appropriate (websites, social media, TV and radio stations) simultaneously with disclosure of the documents.

List of invitees will include representatives of inter alia:

- Governmental institutions,
- Representatives of and local communities known to be impacted by the project
- Railway station users (passengers), staff, businesses in and around the stations,
- NGOs,
- Academia,
- National and local media,
- Vulnerable groups,
- General public.

The outcome of the public consultation, and key discussion points and questions and concerned shall be incorporated in the final RPF.

## 5.2 Disclosure of documents

This RPF and subsequently RAPs shall be prepared in Serbian and English language and any other language if deemed necessary. Documents must be in public domain throughout the project, including its evaluation and available on the web-site of MCTI/PIU and of relevant local municipalities. In course

of the process of land acquisition, with particular attention given to vulnerable groups, project's impacts, mitigation measures and resettlement and rehabilitation assistance shall be made understandable to all PAPs. Hard copies of the documentation shall be available in accessible, commonly visited places to prevent exclusion due to IT impediments. The PIU will be responsible for all disclosure activities.

### 5.3 Stakeholder Engagement Log (SEL)

To document and record all stakeholder engagement activities, including group and individual meetings, any virtual meeting or engagement, planned or spontaneous meetings, formal or informal, phone conversations, written exchanges etc. the PIU shall maintain a SEL. Each log entry shall contain details of stakeholders engaged, date, time and place of meeting/method of communication, short description of the topics discussed, information gathered, a summary of the feedback received, if any, and a brief explanation of how the feedback was taken into account, or the reasons why it was not. The log may be supported by multimedia (photo, video) records of the meetings if available, and written documents that were discussed or issued in relations to the engagement.

The SEL will be a valuable tool providing an overview of key engagement phases, and actions within, facilitating monitoring of SEP, Sub-Project and RAP implementation, resettlement process feedback, evaluation of empowerment of PAPs while agreeing the compensation packages as designed in the RPF and Sub-Project Specific Plans. The SEL shall be managed by the Public communications, social and citizen engagement Specialist of the PIU.

# 6 Grievance mechanism

## 6.1 Purpose of the Grievance Mechanism

The purpose of creating and implementing a Project GM, alongside all other stakeholder engagement methods, is three-fold:

- to effectively provide information on the Project to all interested stakeholders by addressing their concrete questions and requests for information,
- to prevent or address any negative environmental and social Project consequences, including those related to land acquisition, brought to the attention of the Project through individual complaints, and
- to enable analyses of received grievances, with the aim of guiding future Project implementation and stakeholder engagement activities, to achieve better overall results.

The GM addresses grievances of external Project stakeholders (individuals, groups or organizations) referred to as complainants further in the text.

## 6.2 Grievance Mechanism Principles

In developing the GM, the Project has defined certain key principles that it will abide by in the process of addressing grievances, as follows:

### 1. Accessibility and cultural adequacy

The GM is available to any individual, group, or organization affected by or interested in the Project and its use is free of charge. Information about the grievance mechanism is provided in Serbian and is displayed in accessible locations, described further in the document. The information on how to submit grievances will also be provided in other languages in official use in the Republic of Serbia depending on the multi-ethnic composition of communities where the project will be established.

Advice and assistance to file a grievance is provided in written form and verbally, through local and central grievance desks, which also help with explaining the response to the complainant, if needed. Grievances can also be submitted in writing or verbally, through various channels, including post, email, telephone or in person, as preferred by the complainant. Vulnerable persons who may have difficulties to submit a grievance, should be fully assisted in this process.

### 2. Transparency

The GM describes the full procedure of processing a grievance, i.e. all the internal steps taken to consider and address a grievance, as well as who is involved in the decision-making process. It provides a clear overview of what the complainant can expect in the process and how an appeal can be submitted in case the grievance has not been successfully closed in the first instance.

### 3. Timeliness

The GM procedure has been developed with a view of enabling individuals, groups or organizations to approach responsible Project staff quickly, to remedy any urgent issues in connection with the Project. It includes deadlines for certain actions by the Project, including providing a response within a specified time period.

4. Non retaliation and respect of privacy

Anyone submitting a grievance is guaranteed that there will be no retaliation against him/her for doing so. In addition, grievances can be submitted anonymously, in which case a response is made available through public channels. Personal details of complainants are never published and are not shared with anyone other than the people involved in the processing of grievances and implementing any corrective measures, only when necessary and upon approval of the complainant.

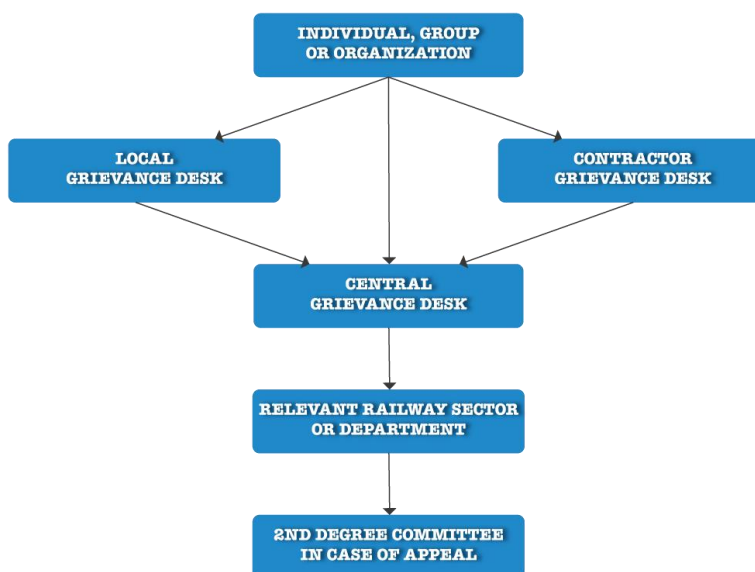
5. Good faith

The GM is designed to promote interaction between the Project and its stakeholders, to engage in dialogue and identify the best solutions for resolving grievances, acceptable to all sides. The GM is a voluntary process, and it does not prevent complainants from taking legal action in accordance with the laws of the Republic of Serbia, nor does it in any way impact legal proceedings and outcomes.

6.3 Organization of the GM

Taking into consideration the specific nature of the Project, with overall management at central level supported by a PIU, as well as implementation of certain Project activities in various locations in Serbia, two levels of the grievance management process have been defined. The first is at the local level, which also includes any contractors performing works in the field, and the second refers to the central level grievance management process. In addition, if a certain grievance is not resolved at either of these two levels, an appeal process has been set up, where final decisions are made by a Second-Degree Committee formed by the Decision of the Minister of Construction, Transport, and Infrastructure<sup>14</sup>. The organization of the GM is presented in

Figure 2 of this document.



<sup>14</sup> From 02.12.2022.; No. 340-01-00371/2022-04



### 6.3.1 Local Grievance Desk

The local grievance in the locations where subproject activities are to be implemented. This is to ensure that complainants have easy access to GRM and that any smaller or localized grievances or requests for information can be resolved efficiently. The local grievance desk is set up either for a specific subproject, in the location where this subproject is implemented, or in a specific location, to cover all grievances related to a number of subprojects being implemented in that same location.

The local grievance desk is operated either by an employee of Serbian Railways Infrastructure working in local traffic departments responsible for local railway facilities (e.g. local train station) or a person designated by the local self-government on the territory where activities are implemented. This decision is made on an individual basis, depending on specific sub project circumstances and in cooperation between the Project and local self-governments. Once established, contact details of the person in charge of the local grievance desk (Local Grievance Manager), who is trained for the task by the PIU Central Grievance Manager, will be available all throughout the affected area and posted on the relevant websites, including the Project website and websites of local municipalities. Typical locations where GM announcements are provided include notice boards of the municipalities and any relevant local communities and train stations, but also any other locations for community gatherings such as the local culture center, health care center or pharmacy, local restaurant or shop, etc.

***The most up to date list of already established local grievance desks for the Project, with contact details of grievance managers and the locations of grievance announcements is available in Chapter 6.6 of this document.***

### 6.3.2 Contractor Grievance Desk

It is important to underline that if the Project involves any construction works at the local level, the selected contractor is also required to participate in the GM process by establishing the contractor grievance desk. This is because certain grievances relate directly to the actual construction works being performed in the field, which are under the direct responsibility of the contractor. This means that any selected contractor is obliged to designate at least one employee who is in charge of accepting and processing grievances. The contractor is obliged to inform the Project about all received grievances and how they were approached and handled. There are also situations in which grievances need to be addressed by the contractor and the PIU jointly.

Once the contractor grievance desk is established, which has to be done before any field activities take place, contact details of the person in charge of this desk (Contractor Grievance Manager) will be available alongside the contact details of the Local Grievance Manager, as well as in the location of the actual construction works (e.g. on the entrance gate of the construction site or on the construction board). The local grievance desk and the contractor grievance desk will fully cooperate in dealing with local level grievances and will ensure regular exchange of information, about project related grievances.

***The most up to date list of already established contractor grievance desks for the Project, with contact details of grievance managers and the locations of grievance announcements is available in Chapter 6.6 of this document.***

### 6.3.3 Central Grievance Desk

The central grievance desk is operated at the Project level, to ensure that more complex grievances or requests for information, which require the participation or feedback from various railway sectors and departments, are addressed.

The central grievance desk is operated by the PIU Social and Citizen Engagement Expert, also referred to as the Central Grievance Manager, who reports directly to the Head of the Project PIU, responsible for overall Project implementation. The Central Grievance Manager is in charge of collecting all grievances (resolved and unresolved) from the local and contractor grievance desks in one registry, providing support to these desks to perform their duties, monitoring their performance, responding on grievances and reporting to the PIU and WB. The Central Grievance Manager facilitates the processing of grievances, either submitted directly to the central desk or unresolved by the local/contractor desk, by engaging with all relevant railway sectors and departments and supports the work of the Second-Degree Committee deciding on grievances in an appeals process.

The contact details of the Central Grievance Manager, for submitting any questions or comments in relation to the Project are:

**PIU of the Ministry of Construction, Transport, and Infrastructure**  
**Central Grievance Desk of the Serbia Railway Sector Modernization Project**  
**Central Grievance Manager: Ivan Radovanović**  
**Title: Social and Citizen Engagement Expert**  
**Address: Uzun Mirkova 3, 11000 Belgrade, Serbia**  
**e-mail: [zalbe.srsm@mgsi.gov.rs](mailto:zalbe.srsm@mgsi.gov.rs)**  
**phone number: +381 63 8412 618 (During workdays from 10h to 13h)**

The above contact details are always published alongside all Local and Contractor Grievance Manager details, highlighting that direct submission to either one, or all three is allowed.

### 6.3.4 Second-Degree Appeals Committee of the Ministry

The Second-Degree Appeals Committee, established through the Decision of the Minister of Construction, Transport and Infrastructure in December 2022, comprises of three permanent and one substitute member.

The Committee meets when a complainant who is unsatisfied with the response / decision received from the grievance manager submits an appeal. The work of the Committee is facilitated by the Central Grievance Manager who is also a member of the Committee.

## 6.4 Processing of Grievances

A grievance is defined as any actual or perceived concern or complaint raised by a person, group or organization (complainant) in connection to the Project. The GM is designed to respond to grievances, but also to respond to any specific requests for information about the Project which may not already be available in the public domain.

## 6.4.1 Processing Steps

To effectively process a grievance or request for information, the Project implements a number of steps described below (see also Figure 3).

### **STEP 1: Receiving, registering and acknowledging grievances**

The grievance manager (local, contractor, or central) receives a request for information or grievance (in person, by phone, post, email) and records it in the grievance log, assigning to it a specific grievance reference number. The grievance manager acknowledges receipt of a grievance within 7 working days, by contacting the complainant, through his/her preferred communication method (see 6.5 for grievances received by phone). The acknowledgement includes the description of grievance, the grievance reference number and date of receipt. In the case, there are requests for information which can be easily and immediately addressed and do not require acknowledgement, they still need to be recorded in the grievance log.

Anonymous grievances received by email or post, from persons who do not wish to provide any of their personal or contact details, will not be acknowledged. However, information that such a grievance has been received and how it will be processed will be available on the Project website.

### **STEP 2: Investigating and resolving grievances**

At this stage, an investigation concerning the grievance is initiated. The complainant may be additionally contacted during this phase for further details, to provide updates and to identify possible solutions which would be acceptable to all parties.

Following the approval of the Head of the PIU and depending on the nature of the grievance, the Central Grievance Manager determines which department or person is responsible to consider and address the grievance, investigates the facts and circumstances, proposes corrective measures, and articulates an answer for the complainant. Where, after an initial investigation, it is determined that the grievance does not pertain to the Project, the procedure is terminated and the complainant is informed accordingly.

The Project is sometimes limited in investigating anonymous grievances and this is clearly articulated in grievance announcements. Nevertheless, the Project makes best efforts to address such grievances, and a response will be provided on the Project website.

### **STEP 3: Responding to the complainant**

The grievance is dealt with, and a response is provided within **30 days of receiving the grievance**. The response contains a clear assessment of the grievance/request, information that has been requested and a proposal for any corrective action if needed. The corrective action may include measures to mitigate any situations arising from the Project, and/or measures to compensate, if mitigation is not possible, with a clear timeframe within which the measures will be executed.

If the grievance desk is unable to deliver a response within 30 days, the complainant is informed in a timely manner and given a new deadline for the response. The overall period for a response **cannot exceed 60 days from the time of receiving the grievance**, although the time period for implementing any corrective measures may need to be longer, depending on the nature of the grievance

Responses to anonymous grievances are provided on the Project website and the address of the Project website is published on all grievance notices.

#### **STEP 4: Closing out grievances in the first degree**

If the complainant is satisfied with the first-degree response / decision received from the grievance desk, the grievance is closed. For any complex grievances and grievances requiring action, the grievance manager will request from the complainant to provide a signed confirmation that the grievance has been adequately addressed and is considered closed.

#### **STEP 5: Addressing appeals**

If the complainant is not satisfied with the first-degree response / decision, he/she has the right to appeal to the Second-Degree Committee of the Ministry, by informing the Central Grievance Manager. This is clearly stated in every response provided to the complainant, as well as information that the Central Grievance Manager will assist the complainant in preparing and submitting the appeal to the Second-Degree Committee.

Upon receiving an appeal, the Central Grievance Manager schedules a session of the Second-Degree Committee and presents the grievance case for review. Dedicated meetings between the Second-Degree Committee and the complainant are sometimes necessary and may involve representatives of the relevant local self-government or other local stakeholders, with the aim of identifying a solution to the grievance, acceptable to all parties.

The response to an appeal is provided within **30 days of receiving the appeal**, however in case of any delays in organizing the relevant meetings or obtaining the relevant information, the complainant is kept regularly updated by the Central Grievance Manager.

#### **STEP 6: Closing out appeals**

The process of closing out appeals is the same as for first degree decisions, with a request for confirmation from the complainant. If the complainant is not satisfied and will not confirm that the grievance is satisfactorily closed, he/she is advised of the option to seek resolution from the competent court.



Figure 3 Steps for processing grievances

### 6.5 Phone Grievances

When grievances are received by phone, the grievance managers record details of the call in the grievance log, particularly the date when the call was made, the nature of the conversation and any other facts of significance. The grievance manager always attempts to agree with the complainant on how a written response can be provided to him/her (by email or post), to serve as a record of the process and outcome. If this is not possible, the record of the phone exchange made by the grievance manager in the grievance log, serves this purpose.

### 6.6 Local and Contractor Grievance Desk Details

The table below is regularly updated in this document by the Central Grievance Manager, as relevant information becomes available.

Sub Project / Territory	Locations of GM announcements	Contact details for Local Grievance Manager	Contact details for Contractor Grievance Manager

## 6.7 Submitting a Grievance

**Any person who has a question or complaint in relation to the Serbia Railway Sector Modernization Project, should fill out the grievance form provided as ANNEX 1, or use it as guidance for preparing his/her submission. The grievance or question can be submitted by post or e-mail using the following contact details:**

**PIU of the Ministry of Construction, Transport, and Infrastructure**

Central Grievance Desk of the Serbia Railway Sector Modernization Project

Attn. Central Grievance Manager: Ivan Radovanović, Social and Citizen Engagement Expert

Address: Uzun Mirkova 3, 11000 Belgrade, Serbia

e-mail: [zalbe.srsm@mgsi.gov.rs](mailto:zalbe.srsm@mgsi.gov.rs)

phone number: +381 63 8412 618 (During workdays from 10h to 13h)

## 6.8 World Bank Grievance Redress Service

Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit: <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>

# 7 Monitoring and evaluation

## 7.1 Institutional monitoring

The PIU will keep a resettlement and expropriation database with a minimum of following information: volume of land required, land acquisition completed, inventory of persons and property affected, inventory of expropriation cases disaggregated by different phases of the process (submission of proposal, decision on expropriation, valuation, compensation offer, settlement agreement, payment of compensation, payment of assistance during relocation, judicial processes etc.). A suggested template for monitoring is presented in Annex 3.

In addition to the above activities, the table below presents a list of institutional responsibilities during the land acquisition & resettlement process:

**Table 3 - Institutional responsibilities**

<b>Task:</b>	<b>Responsibility:</b>
Disclosure and arranging public consultations on the RPF	MCTI (PIU)
Information disclosure to all PAPs about the procedure of the beginning of expropriation and during all phases of expropriation	PIU and Local Municipalities (LM)
Communication and consultation with PAPs	PIU and LM
Activities prior to commencement of works	PIU and LM
Providing assistance during resettlement	BoE
Compensation payment	BoE
Grievances management	PIU
Monitoring and reporting on expropriation and resettlement	PIU / E&S
Monitoring and reporting after commencement of works	Contractor

## 7.2 Monitoring of resettlement process

The PIU will conduct internal periodical (monthly or quarterly depending on the duration of land acquisition processes) monitoring so that efficiency of the expropriation process and level of satisfaction of PAPs can be assessed.

Indicators for implementation of monitoring are as follows:

- Number of PAPs by categories;
- Number of public meetings with affected persons;
- Number and percentage of negotiated settlements signed;
- Number of physical resettlement cases;



- Number of economical resettlement cases;
- Number of completed land acquisition cases compared to expected total number;
- Number of PAPs compensated compared to the expected total, disaggregated by types and reason for compensation;
- Amount of compensation paid compared to the expected total;
- Number of temporary occupied private property land plots by the contractor for construction;
- Comparison of data on livelihood of affected persons before and after the (sub)-Project
- Number and type of assistances provided to vulnerable groups compared to total; and
- Number and type of grievances, including legal actions arising from expropriation and resettlement (submitted cases, resolved cases, time needed for their resolution).

The PIU shall monitor the implementation of the resettlement process both through internal, official institutional arrangements, as well as periodically by an independent external consultant, to be appointed. The external monitoring and evaluation consultant may be appointed during RAP preparation, if necessary, based on consultation with the World Bank. A RAP Completion report will be prepared and submitted to the World Bank within 2 months of the RAP completion. The report should verify that all entitlements have been delivered in line with the site-specific RAPs. In addition, the report should evaluate whether the mitigation actions prescribed have had the desired effect. The socioeconomic status of the affected population should be measured against the baseline conditions of the population before displacement, as established through the census and socioeconomic baseline studies.

## 8 Institutional arrangements

### 8.1 Institutions responsible for Project implementation

The SRMP will be managed by MCTI through a Project Implementation Unit (PIU), supplemented by Project Implementation Teams (PITs) in IZS, Serbia Cargo, Serbia Voz and RD. The PIU will have primary responsibility for Project execution ensuring that the Project development objectives are met and ensuring that financial resources are budgeted, disbursed, expended, accounted and audited. MCTI's PIU has already been established in Phase 1 of the Project. If necessary, the PIU will be strengthened with appropriate managerial and technical capacity to enable it to (i) manage and monitor progress of the entire Project, (ii) carry out and be responsible of day-to-day implementation of Project activities, (iii) oversight of all other Project activities implemented by the companies; (iv) prepare technical documentation for activities that will be financed under the Project; and (iv) participate in tender preparation and evaluation. MCTI, through PIU, will be directly responsible for implementation of all components. While the PIU will be implementing the components, PITs will act as subordinate implementing agencies to provide technical support for specific Project subcomponents or activities of the MPA that pertain to their area of expertise. MCTI would channel Project funds to PITs to strengthen their structures, as hiring technical staff to support the MPA. The PIU will be staffed with experts specifically hired for the Project, while PITs will be staffed with mixes of agency staff and personnel hired for the Project. They will have capabilities in contract management, safeguards, and monitoring and evaluation. The PIU will include additional team members, being full or part time, including an environmental and safeguard expert, two railway experts, human development expert, transport planner, and a transport economist. PIT will mainly consist of the employees within subject institutions that might be strengthen with specific expertise relevant for the effective Project implementation, like railway investment expert, rail asset management expert and business support management system expert, a full-time.

The PIU already includes one Environmental specialist and a full-time Social and citizen engagement specialist), to support compliance with the World Bank safeguards requirements, as well as technical experts (change management advisor, ICT adviser and other experts) on a part-time Occupational & Health (OHS) Specialist throughout project implementation and a part time Resettlement specialist on a as need basis. Fiduciary management including procurement and financial management shall be within the responsibility of the Central Fiduciary Unit - CFU (responsible for procurement and financial management) housed under the MoF. The social and citizen engagement Specialist will be responsible for the Social Safeguards and ensuring that the GM is functional. RAP if required will be prepared by a Resettlement Specialist to be hired by the PIU for this specific activity.

### 8.2 Key institutions in the process of resettlement

The resettlement process involves the Government of RS, the Beneficiary of Expropriation i.e. Infrastruktura Železnice Srbije, the tax authority, accredited valuation experts, the local Governments and the Relevant Courts in cases no settlement agreement is achieved. An overview of all institutions is presented below. The in-depth assigned responsibilities and arrangements for implementing the requirements of this RPF and each site-specific RAP shall be covered in the RAPs itself.

**Table 4 - Institutions involved in expropriation / resettlement**

<b>Institution:</b>	<b>Key responsibility during resettlement:</b>
National assembly of RS	Declaration of public interest by law
Government of RS (GoRS)	Declaration of public interest (other than by law as above)
PIU Housed under MCTI	Coordination of resettlement activities under this RPF and individual RAPs through: Appointment of a Resettlement Specialist to assist and monitor the implementation and report on social components of the (sub)-project, particularly implementation of RPF, Announcement of the Cut-off date. Preparation and disclosure RPF, RAPs and all other project safeguard documents Conducts public consultations in all Project phases, Engages with relevant stakeholders Establishment and administration of the grievance mechanism of PAPs and stakeholders; Monitoring and evaluation of the resettlement process and reports to WB on all issues under this RPF, Monitoring of land entry-land exit protocols in cases of temporary land occupation until the land is given back to their owners in accordance with this RPF.
Beneficiary of Expropriation (i.e. Infrastructura Železnice Srbije)	Administration of the expropriation process
Ministry of Finance (MoF)	Borrower and 2 <sup>nd</sup> tier authority to the expropriation decisions
Tax administration offices (decentralized to municipality units, but under MoF)	Provides assessment of market value of agricultural or construction land
Local-Self Governments, including its administration	Local municipalities govern the expropriation process (Department of property affairs)
MoAFWM	Provides information about available replacement land
Republic Geodetic Authority, State Cadaster of immovable property, decentralized units	Provides official information on all immovables, including land, structures, houses, etc. Provides official legal information on owners of immovables Provides information on possessors of immovable property Annotation of expropriation process Executes legal title changes of immovable property owners after land acquisition, expropriation etc.
Relevant municipal courts	Determines fair compensation if amicable agreement has not been reached
The Administrative Courts	Decides on lawsuits filed against final and binding decisions issued by the MoF
Municipalities	Participate in Sub-Project specific Local Grievance Admission Desks (LGAD)

## 9 Budget and funding of resettlement

Land acquisition costs are born by the Beneficiary of Expropriation i.e. IZS and need to be budgeted within the Budget for the upcoming fiscal years. Costs for the implementation of this RPF include categories: (a) administrative costs including cost associated with expropriation (if necessary), and (b) compensation for land acquisition, and asset loss, including transitional and any other allowance as necessary.

Given the early stage of the Project and unknown scale, type and magnitude of impact no estimation can be given on the required cost.

This RPF as referenced in the Loan Agreement complement the national legal requirements guiding involuntary land acquisition and resettlement, and shall once ratified serve as a legal basis to close gaps to meet the ESS5 standards.



# 11Annex 2 - Social analysis template

SOCIAL SCREENING FORM AND TRIGGERS FOR SUB PROJECTS			
This screening report shall comprise of the screening form, ownership evidence and pictures from the walkover survey.			
Name of Sub project:			
Location:			
Type of Activity and Procurement Package as assigned in the Procurement Plan:			
Nature of Project:			
Size/Scale:			
Project Implementing Agency:			
Description of Project Surroundings:			
Screening indicators related to Land acquisition, assets and access to resources			
		YES	NO
	Type of activity – Will/has the sub project:		
1	Require that land (private) to be acquired (temporarily or permanently) for its development		
2	Acquired land in anticipation of the project?		
3	Use land that is currently occupied or regularly used for productive purposes (e.g. gardening, farming, pasture, fishing locations, forests		
4	Physically displace individuals, families or businesses		
5	Result in the temporary or permanent loss of crops, fruit trees or household infrastructure		
6	Result in the involuntary restriction of access by people to legally designated parks and protected areas		
7	Result in loss of livelihood		
8	Have negative impact to any vulnerable individuals or groups		
9	Have negative impact to informal side road shops, traders or any nomadic type of commercial activity		
10	Impact to community Health & Safety		
11	Impact internally displaced persons or refugees		
12	Disrupt access to health care and education		

If any of the boxes 1 through 9 are ticked YES the ESS5 will be relevant and site specific instruments in line with this RPF will be prepared.

If any of the boxes 10 through 13 are ticked YES commensurate mitigation measures shall be designed through the site specific ESMP

#### CERTIFICATION

We hereby certify that we have thoroughly examined all the potential adverse effects of this sub project. To the best of our knowledge, the sub project does not avoid /avoids all adverse social impacts.

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For the PIU  
social and citizen engagement specialist

## 12. Annex 3 - Record keeping template

The World Bank supported Serbian Railway Modernization Project  
 -General information-

No	Site	Land acquisition required	Land acquisition completed	No. of landowners (cases)	No. of landowners received compensation	No. of landowners (cases) on courts	No. landowners yet to be offered compensation	No. of landowners who did not receive compensation	No. of physically displaced households	Duration of expropriation based on sample
		(in ha)	(in ha)							
1	<i>To be added once selected</i>	0.00	0.00	0	0	0	0	0	0	0
TOTAL		0.00								