

**Montenegro**  
**Western Balkans Trade and Transport Facilitation Project**  
**Phase2**  
**P 173620**

**Resettlement Policy Framework**  
**(RPF)**  
agreed at Project Appraisal Stage

November 2022

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## 2 Acronyms

|       |  |
|-------|--|
| BoE   | Beneficiary of Expropriation   |
| CC    | Constitutional 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 |
| GoMNE | Government of Montenegro   |
| GM    | Grievance Mechanism  |
| GRS   | Grievance Redress Service  |
| LM    | Local Municipalities   |
| LGD   | Local Grievance Desk(s)  |
| MoCI  | Ministry of Capital Investments  |
| MoF   | Ministry of Finance  |
| PAP   | Project Affected People  |
| PIU   | Project Implementation Unit  |
| RLC   | Rail Level Crossing  |
| RPF   | Resettlement Policy Framework (this document)                                  |
| RAP   | Resettlement Action Plan   |
| SEL   | Stakeholder Engagement Log   |
| WB    | World Bank   |

## Glossary of terms

|                          |  |
|--------------------------|--|
| Cut-off date             | The cut-off day will be the day of beginning of the census.. If a person(s) should occupy the project area after the Cut-off date, they will not be 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. In advance of MoCI will publish a moratorium notice in local newspapers, informing of the initiation of the expropriation process. The Cut-off date will also be publicly disclosed on notice boards in local communities and relevant municipalities and at consultation meetings, with an accompanying explanation. This information will include posted warnings that persons settling in the project area after the cut-off date may be subject to removal and that no investment afterwards will be compensated.   |
| 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 whether affected persons must move to another location or not.   |
| Entitlement              | The right to receive compensation and other forms of assistance that PAPs in accordance with the Law on Expropriation and this RPF in the respective eligibility category.   |
| Expropriation            | The process whereby a public authority, in return for compensation, requires a person, household or community to relinquish rights to properties (land and structures) that it occupies or otherwise uses by the power of eminent domain   |
| 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 by a Borrower 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). Forced evictions refer to the coerced displacement of individuals, groups and communities from their homes, lands and/or common property resources (either legally owned or informally occupied) without the provision of, and access to, appropriate forms of legal and other protection. |
| 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. Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition that will result in displacement. This occurs in cases of lawful expropriation or restrictions on land use based on eminent domain; and in cases of negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.   |

|                               |  |
|-------------------------------|--|
| Land                          | Land includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and appurtenant water bodies  |
| Land Acquisition              | “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.   |
| 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              | The cash compensation for expenses directly associated to moving/relocation of the household or business – calculated as part of the compensation package for resettlement cost.   |
| Physical displacement         | Loss of shelter and assets resulting from the property acquisition associated with the Project that requires PAPs to move from home, work place or business premises to another location.  |
| Project Affected Person (PAP) | Any person who, because of the implementation of the (sub)-project suffers impacts stemming from involuntary land acquisition and resettlement 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 increased by 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.  |

|                                     |  |
|-------------------------------------|--|
| <p>Transitional allowance</p>       | <p>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.</p> |
| <p>Vulnerable group/individuals</p> | <p>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.</p>   |

## 1 Introduction

### 1.1 Brief description of the Project

The Government of Montenegro has requested support from the World Bank (Hereinafter: The Bank) to implement the Second Phase of the Western Balkans Trade and Transport Facilitation Project.

The ultimate leadership of the Project will be with the Ministry of Capital Investments (MoCI), and oversight of the project will be in the hands of the MoCI, while the governance of the Project, including aspects of managing environmental and social impacts, it is also expected to include a Project Implementation Unit (PIU) housed under the MoCI.

The project aims at reducing trade costs and increase transport efficiency in the Western Balkans Six. The program is structured around the following four components, which are common across the region and phases, albeit the specific scope of activities is adjusted for each beneficiary.

**Component 1:** Facilitating movement of goods across the Western Balkans focusing on: (i) the design and implementation of a National Single Window (NSW) solution for trade and the associated reform and modernization of Customs and other border management agency requirements; (ii) New Computerized Transit System (NCTS) to Montenegro; (iii) the improvements of crossing points in selected trade corridors (though upgrading of IT systems at Hani i Hotit – Bozaj road border crossing).

**Component 2:** Enhancing transport efficiency and predictability focusing on (i) the digitalization of the Port of Bar; (ii) the improvement of selected Railway Level Crossings on section Podgorica – Bar (RLC), (iii) the update to existing National Transport Strategies to incorporate the Green Transport and the new EU Green Deal as well as preparation of specific transport strategies and studies (iv) the preparation of the corridor monitoring system.

**Component 3:** This component will support the implementation of commitments to improve market access in services and foster regional investments.

**Component 4:** This component will support project implementation unit (PIU) and provide additional technical support, including policy coordination, operating costs, and monitoring and evaluation of the project.

It is highly unlikely that any of the activities under the above mentioned project components will induce impacts stemming from involuntary land acquisition, restrictions on land and resettlement. However, this RPF is prepared on a precautionary basis to allow project implementation and avoid the burden of administrative restructuring during implementation should the need for negligible small-scale land acquisition be required. Although unlikely, land acquisition needs, *if any, may arise in connection with Component 1(iii) upgrade Upgrade of Hani-Hotit – Bozaj road border crossing Component 2 (ii) the improvement of five Railway Level Crossings (RLC) on section Podgorica – Bar i.e 3 RLC in Podgorica Municipality (Vukovci, Moraca and Bistrica) and 2 RLC in Bar Municipality (Virpazar and Zutokrljica).* These are all brownfield investments, already having their physical footprint on the ground (see section 1.5 for a more detailed overview). The area of the RLC and surrounding land has already been designated as rail land with the required right of way (RoW) established for the safe operation of the rail line Bar –Podgorica. Hence, it is understood that it is more likely that historic land take cadastral record reconciliation rather than acquisition of new areas of land, or small-scale acquisition of land might be expected. Based on secondary data provided the land hosting the RLC are free from structures other than structures and equipment needed for operation of the RLC or other public service providers (e.g. electric poles, transmission lines, etc).

## 1.2 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 (ESS) setting out mandatory requirements for the Borrower and the Project. ESS5 in particular sets out the requirements for Borrowers relating to the identification and assessment of social risks and impacts associated with projects supported activities requiring land acquisition, restrictions on land and Involuntary Resettlement. The likely nature or magnitude of the land acquisition or restrictions on land use related to the project with potential to cause physical and/or economic displacement is unknown during project preparation, a **Resettlement Policy Framework (RPF)** – this document, was prepared. The RPF is prepared on a precautionary basis as land acquisition is not anticipated at this time and the likelihood is low, as elaborated under paragraph 1.1 above.

## 1.3 Objectives of This RPF

The overarching objective of this RPF is to clarify resettlement principles, organizational arrangements, and design criteria to be applied to subprojects or project components to be prepared during project implementation.

The more specific objectives are to:

- Define the due diligence and screening mechanism for activities supported by the project to determine relevance of ESS5 and this RPF;
- analyse MNE legal solutions pertinent to involuntary resettlement, relocation and loss of assets, including legal and administrative procedures and assessment of compensation to be paid for loss of assets;
- compare national requirements to ESS5 policies and international good practices, identify gaps, if any, and provide measures to achieve compliance with ESS5;
- identify key institutions alongside the PIU involved in Project implementation, including especially legally authorized state institutions implementing the procedures and safeguards of involuntary resettlement process;
- design monitoring and evaluation criteria to verify compliance with ESS5 and international good practices;
- determine eligibility criteria and compensation entitlement matrix per type of loss and person impacted;
- define the basic process of identification and evaluation of affected assets and the value of compensation to replace the loss of assets;
- provide instruments for prompt and effective compensation at full replacement cost for loss of assets or access to assets;
- provide a roadmap for preparation, approval procedure, outlines and implementation process of RAPs or other involuntary resettlement instruments in accordance with ESS5, as relevant;
- specify requirements of public disclosure, disclosure of documents, public and community engagement through all phases of the Project, including RPF and RAPs development and disclosure and consultations;
- establish 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;
- specify 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;

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<sup>1</sup> The ESF is accessible at - <https://www.worldbank.org/en/projects-operations/environmental-and-social-framework>. Latest accessed on November 3, 2022

- Establish and operate a Project Grievance Mechanism (GM) to provide people who believe are adversely affected by project activities, an avenue to raise issues and concerns free of charge.

#### **1.4 Fundamental principles guiding resettlement**

This RPF provides 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 action, actions of its representatives, subsidiaries if any, 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 will 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 a 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 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 Project's 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 (in cases of physical displacement).
- 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 addressing their 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.
- Resettlement activities will be conceived and conducted as sustainable projects by providing sufficient investment resources to enable principles and goals of resettlement defined by this RPF and subsequent RAPs to be fully achieved.

## **1.5 Estimated displacement impacts and justification for preparation of a 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, may occur limited to activities under Component 2 (ii) and The likelihood is very low. Also, 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. Notwithstanding, the activities related to improvement of RLC, are brownfield activities, hence to be implemented within the Right of Way i.e. on state owned land. It is unlikely the RLC would require physical expansion/adjustment to respond to rail and road safety needs however the assessment will be completed following the screening provided in this RPF once all technical details are in place. The situation is alike for the BCP at Hani Hotit –Bozaj.

The figures below depict the location of the Rail line Bar Podgorica (going further to Bijelo Polje) and some of the typical RLCs on the line.



Level Crossing “Cijevna” is located between rail stations Podgorica and Golubovci in km position 411+660. Here is possible denivelation with both (underpass or overpass).



**Figure 1: RLC Cijevna**

**Level crossing Vukovci located in the area of rail station in Golubovci.**



**Figure 2: Level crossing Vukovci**

Level Crossing “Morača” is located on the distance between stations Golubovci and Zeta in km position 419+105.



**Figure 3: Level Crossing “Morača”**

Level Crossing Bistrica is located on the distance between stations Golubovci and Zeta in km position 422+692.



**Figure 4: Level Crossing Bistrica**

Once the technical documentation for the activities is completed, a due diligence process, adapted to restrictions imposed by the COVID -19 pandemic at such time, will be undertaken as outlined in this RPF, and individual RAPs, if needed, 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

The key law pertinent to Land acquisition and Resettlement in Montenegro is the Law on Expropriation, details of which are presented in the following chapter.

### 2.2 Law on expropriation

The Law on Expropriation (Official Gazette No. 055/00, changes 012/02, 028/06, 021/08, 030/17, 75/18) focuses on the process of acquiring and providing compensation, or in specific circumstances replacement property, for any affected property acquired for implementation of project in public interest. It addresses physical and economic displacement for those with legal rights according to the law. The Law on expropriation does not use the term "involuntary resettlement", but instead uses the term "expropriation" which is based on the government's eminent domain power. It also defines the requirements and agreements related to expropriation and compensation issues including legal remedy available under the Law.

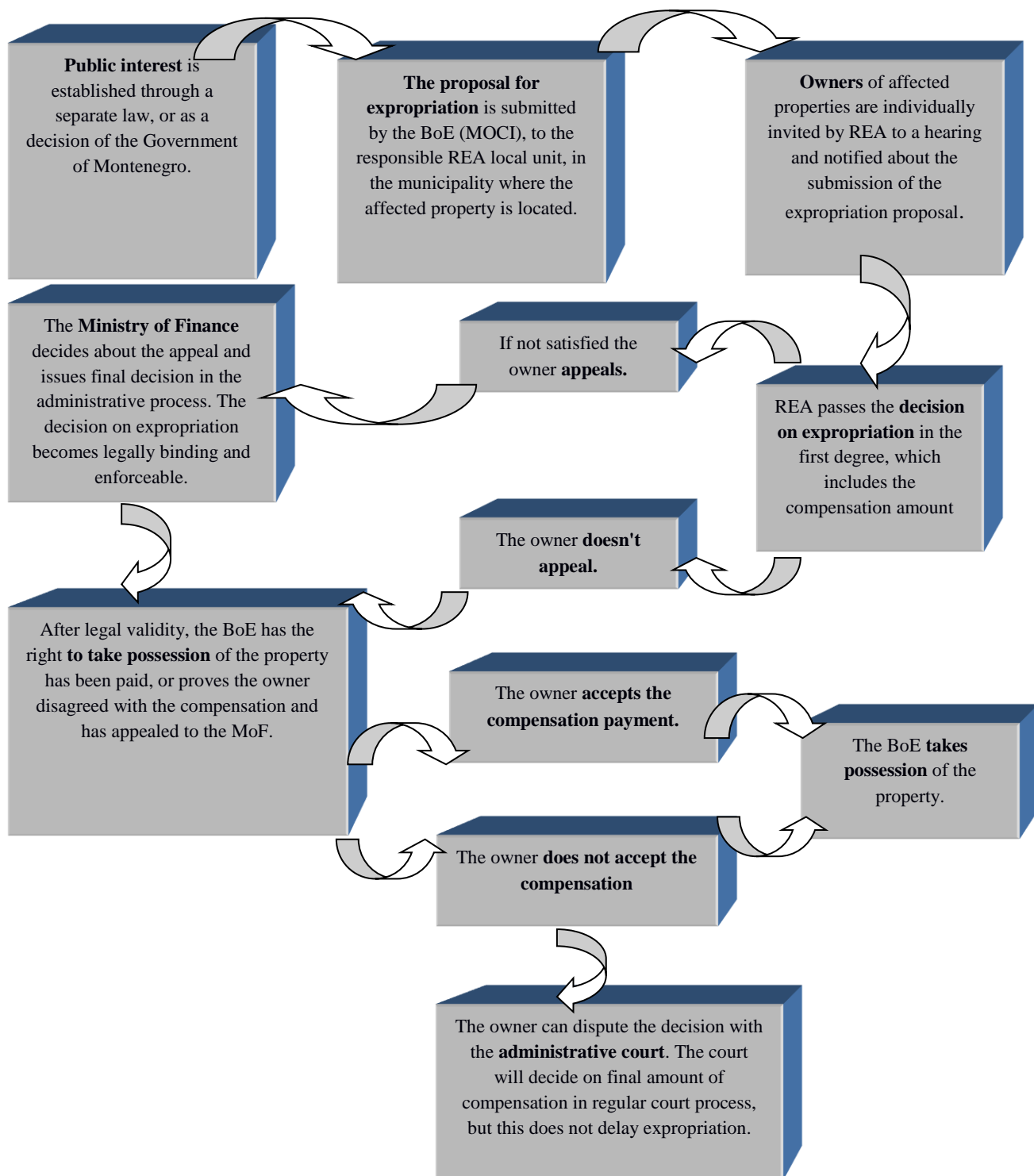
The main provisions of the Law are as follows:

- Outright purchases of immovable property (land, residential and other structures) are defined as **full (complete) expropriation**. **Partial (incomplete) expropriation** includes the instigation of an easement over the immovable property or a lease of land for up to 3 years. Temporary occupation of land is also possible when needed for construction or other works (accommodation of workers, materials, machines, etc.).
- The beneficiary of expropriation may submit the expropriation proposal only after declaration of public interest (by law or by the Government of Montenegro). The BoE submits expropriation proposal to the authority of the regional unit of the municipality on whose territory the property proposed for expropriation is located.
- The expropriation proposal has to include: (i) information on the properties to be expropriated, (ii) proof that public interest has been declared, and (iii) proof that the expropriation beneficiary has paid the entire amount of compensation to the designated account with the Finance Ministry in advance of commencement of expropriation.
- The Law allows for negotiated settlements on the amount and type of compensation between the expropriation beneficiary and property owners, until the Decision on Expropriation becomes valid. In that case, the expropriation procedure is terminated.
- If a negotiated settlement has not been reached, the competent authority issues a Decision on Expropriation but is required to enable property owners to raise their concerns before issuing the Decision. The amount of compensation is specified in the Decision.
- Affected persons are entitled to lodge an appeal against the Decision with the Finance Ministry. Any decisions of the Ministry of Finance may further be challenged by affected persons by initiating an administrative dispute with the Administrative court. The expropriation beneficiary may acquire possession of the affected property when the Decision on Expropriation becomes valid, provided that compensation has already been provided to the property owner. Exceptions are allowed for urgent cases. If it is determined that the expropriation of a part of the owner's property would result in the owner having no economic interest in using or not being able to use the remainder of the property, that remaining part of the property will also be expropriated at his/her request. All persons who have formal legal rights on land and structures, as registered by the Cadaster, are entitled to compensation. Compensation provided to formal owners of property is defined as fair compensation in cash or in kind (replacement property). When compensation is provided in cash, it is determined "in the amount of the market value of similar properties in the area, plus any losses of income during the resettlement period). When compensation is provided in kind, the owner is provided

with replacement property at the same value as the previous property, plus any losses of income during the resettlement period.

- The Law regulates in detail the types of compensation for different assets (agricultural land, construction land, residential facility, commercial premises, forests, crops, etc.)
- The Law stipulates that the socio-economic conditions must be taken into consideration if such circumstances are “of significance to the livelihood of the owner” (large number of household members, number of household members earning income, the health status of the household members, monthly income of the household, and other vulnerabilities etc.).
- The amount of compensation is determined by a committee established by the competent authority and approved by the competent authority. The committee consists of five members, of which at least three members must be court experts for valuation of property. The methodology for valuation is defined by the *Ordinance on Methodology for Assessing Property Value*<sup>4</sup> adopted by the Finance Ministry. The Ordinance refers to the International Valuation Standards and European Valuation Standards as the basis for valuation.
- Property rights on the new property are formally transferred based on the final Decision on Expropriation and proof that compensation has been provided/paid.
- The Law foresees rights of affected persons (those with formal legal rights) to appeal at many stages of the expropriation procedure, beginning with administrative and judicial appeals (i.e. against the decision on public interest and the decision on expropriation).
- Those who have formal legal rights are informed throughout the expropriation process (i.e. passing of the decision on public interest; before the decision on expropriation is passed, the municipal office in charge of expropriation has to invite the affected person with formal legal rights to a meeting to present any facts which may be relevant for expropriation).

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



### 2.3 Other laws and regulations influencing resettlement process

The Constitution of Montenegro promotes civil and human rights, prohibition of discrimination, gender equality etc. Based on the Constitution ratified international agreements and generally accepted rules of international law shall make an integral part of the internal legal order, shall have the supremacy over the national legislation and shall apply directly when they regulate relations differently than the national

legislation. This provision of the MNE Constitution is a significant tool in direct implementation of WB Environmental and Social Standards in all Project aspects. Furthermore, the Constitution of Montenegro proclaims protection and guarantees of human rights embodied in the International Bill of Human Rights. On May 11, 2007, Montenegro became a full member of the Council of Europe with all its rights and obligations.

Below are the most relevant MNE laws and regulations of relevance to the process of involuntary land acquisition and resettlement:

| Law of reference  | Main features  |
|---|--|
| Laws and regulations of principal importance to property ownership, land tenure and compensation              |  |
| Law on property and property relations (Official Gazette No. 019/09)  | <ul style="list-style-type: none"> <li>• stipulates fundamental provisions of property relations, including the right of ownership and other rights <i>in rem</i>, possession of movable and immovable property, as well as the manner of acquiring, transfer, termination and protection of ownership rights, co-ownership and joint ownership rights, right on yields emanating from owned thing, easement rights etc;</li> <li>• defines that property rights are acquired through the creation of a new thing (i.e. construction), merging, mixing, construction on another's land, separation of fruits, adverse possession, acquisition of property from non-owners, occupation and in other cases determined by law.</li> </ul> |
| The Law on State Survey and Cadaster (Official Gazette No. 029/07, 032/11, 040/11, 043/15, 037/17 and 017/18) | <ul style="list-style-type: none"> <li>• defines state survey, real estate cadastre and real estate registration, line cadastre, basic state map and topographic maps, state border survey, surveying and other issues of importance for state survey and cadastre;</li> <li>• establishes the Real Estate Property Cadaster as a single public record;</li> <li>• Contains, <i>inter alia</i>, data on formal owners of the properties and data on expropriation.</li> </ul>  |
| The law on State property (Official Gazette No. 021/09 and 040/11)  | <ul style="list-style-type: none"> <li>• Stipulates fundamental provisions on public ownership and other proprietary rights of the State and local self-government units.</li> </ul>   |
| Rulebook on Methodology for assessment of property value (Official Gazette No. 064/18)                        | <ul style="list-style-type: none"> <li>• defines key principles of assessment of immovable property value, including those governing assessment in the process of expropriation;</li> <li>• stipulates that in certain cases of property assessment value (i.e. expropriation), certain additional legal or/and international standards that are to be followed must be precisely cited;</li> <li>• defines important concepts: time of assessment, fair value, fair market value, market value, investment value, market lease, the standard of continuous enterprise (in assessing loss in case of economic displacement), assessment methodology etc.</li> </ul>  |
| Laws and regulations of principal importance to expropriation and resettlement process, and PAP grievances    |  |

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| <p>The law on Administrative Procedure (Official Gazette No. 056/14, 020/15, 040/16 and 037/17)</p>   | <ul style="list-style-type: none"> <li>• regulates the rules and obligations of government authorities, state administration, local government, local government bodies, institutions and other entities exercising public authority activities, in order to achieve protection of the rights and legal interests of individuals, legal persons or other parties, as well as the protection of public interest (including expropriation and other process in resettlement before the state administration);</li> <li>• defines that decisions by administration bodies are subject to the possibility of administrative appeal (except if the appeal is not allowed by law) in the first instance, as part of the regular legal grievance mechanism available to PAPs.</li> </ul>  |
| <p>The law on administrative disputes (Official Gazette No. 054/16)</p>   | <ul style="list-style-type: none"> <li>• regulates jurisdiction, composition of the court and rules of procedure on the basis of which the court decides on the legality of an administrative act and other administrative activities, in order to ensure the judicial protection of the rights and legal interests of individuals and legal entities and other parties, jeopardized by the actions of state authorities;</li> <li>• defines that against all decisions (or lack of decision) of government authorities, state administration, local government, local government bodies, institutions and other entities exercising public authority activities a court process can be initiated according to this law, as part of the regular legal grievance mechanism available to PAPs.</li> </ul>  |
| <p>The law on Litigation court procedure (Official Gazette No. 022/04, 028/05, 076/06, 047/15, 048/15, 051/17, 075/17, 062/18, 034/19 and 042/19)</p> | <ul style="list-style-type: none"> <li>• defines principal rules for all civil court proceedings and cases of court disputes if not regulated by other laws in a different manner, including administrative disputes;</li> <li>• provides provisions of court process in all property issues cases and cases of compensation for damages, right of appeal in a second court instance, extraordinary court remedies, appeal jurisdiction and proceedings etc as part of the regular legal grievance mechanism available to PAPs.</li> </ul>   |
| <p>Laws and regulations of principal importance to planning and construction (including large construction i.e. Project)</p>                          |  |
| <p>The law on Spatial planning and construction (Official Gazette No. 064/17, 044/18, 063/18 and 011/19)</p>  | <ul style="list-style-type: none"> <li>• Regulates the system of spatial planning in Montenegro, the manner and conditions for construction of structures and other issues of consequence to construction of structures;</li> <li>• Regulates development of plans that are in correlation with large construction projects (spatial plan of Montenegro, regional and specific spatial plans etc.) which partially includes assessment of social and environment impacts, and are subject to revision, and if needed, they are obligated to explore viable alternatives in cases of severe social or environmental impacts;</li> <li>• Regulates that the process of development and approval of spatial plans is subject to "public enquiry", which is a form of public consultation and the chance for stakeholders and PAPs to influence projects in an early stage, and by this legally defined</li> </ul> |

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|   | <p>process, are provided with a grievance mechanism as part of that approval of plans;</p> <ul style="list-style-type: none"> <li>• Regulates process of concept and main construction design, including expropriation elaborate as the key document for the expropriation process, but also that is the only legally envisioned social assessment documents that needs to be prepared for a project;</li> <li>• Defines a process of "legalization" of structures built without a proper construction license, thus also providing legal basis for compensation of owners of informally built structures in the process of expropriation and resettlement;</li> <li>• Defines cases of removal of an informally built structure of basic residence, when the local municipality is obliged to provide alternative accommodation to the household.</li> </ul>  |
| <p>The law on Local Self Government (Official Gazette No. 002/18 and 034/19)</p>                                      | <ul style="list-style-type: none"> <li>• defines legal process and local institutional arrangements of spatial planning and construction in project of local public interest;</li> <li>• Defines that local municipalities are responsible for establishing public interest for expropriation in projects of their own jurisdiction.</li> </ul>  |
| <p>Laws and regulations of principal importance to issues of family relations, gender equality and social welfare</p> |  |
| <p>The Family law (Official Gazette No. 001/07 and 053/16)</p>  | <ul style="list-style-type: none"> <li>• Proclaims spouses individual and shared marital property and defines individual property as the property that the spouse acquired before the marriage, and property acquired during marriage through inheritance, gift or other forms of acquisition, and that the shared marital property constitutes the property that the spouses acquire in the course of work the duration of the marital community, as well as income from that property;</li> <li>• Proclaims equality of spouses and forbids any form of discrimination.</li> </ul>   |
| <p>The law on Prohibition of discrimination (Official Gazette No. 046/10, 040/11, 018/14 and 042/17)</p>              | <ul style="list-style-type: none"> <li>• Defines discrimination as any differentiation or unequal treatment of a person or group of persons exclusion, restriction or preference of a person that is based on race, skin colour, ethnicity, social or ethnic origin, affiliation to a minority nation or minority national community, language, religion or belief, political or other opinion, gender, gender change, gender identity, sexual orientation and / or intersex characteristics, health status, disability, age, financial status, marital or family status, affiliation to a group, political party or other organization, as well as other personal attributes;</li> <li>• Forbids any form of discrimination and provides measures for protection against discrimination for persons or groups that may be subject to forms of discrimination.</li> <li>• Ensure security of tenure</li> </ul> |

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| <p>Law on social housing (Official Gazette No. 027/13, 001/15, 042/15, 047/15)</p> | <ul style="list-style-type: none"> <li>• Proclaims the right to social housing that can be realized by natural persons who do not have an apartment or other a residential facility or persons whose residence facilities are not in the proper standard and which from the income they generate cannot provide a different residential facility;</li> <li>• Proclaims that the right to social housing is exercised in a manner that the state or local municipality offers apartments for rent, allotment of construction land for the construction of social housing, by providing building materials for the construction of a new or reconstruction of an existing residential building, giving subsidies for social housing and granting long-term loans to users of social housing.</li> </ul> |
| <p>The law on Free legal assistance (Official Gazette No. 020/11 and 020/15)</p>   | <ul style="list-style-type: none"> <li>▪ Provides legal assistance to vulnerable groups through Court departments, where people are able to access free legal advice provided by authorized lawyers.</li> </ul>   |

## 2.4 World Bank Environmental and Social Standard 5 on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement (ESS5)

Bank supported projects involving Land Acquisition, Restrictions on Land Use and Involuntary Resettlement involuntary resettlement are subject to ESS5<sup>2</sup>. The relevance of ESS5 is established during the due diligence process and environmental and social assessment described in ESS1.

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 that 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 ESS5 is applicable to:

- Land rights or land use rights acquired or restricted through expropriation or other compulsory procedures in accordance with national law;
- Land rights or land use rights acquired or restricted through negotiated settlements with property owners or those with legal rights to the land, if failure to reach settlement would have resulted in expropriation or other compulsory procedures;
- Restrictions on land use and access to natural resources that cause a community or groups within a community to lose access to resource usage where they have traditional or customary tenure, or recognizable usage rights. This may include situations where legally designated protected areas, forests, biodiversity areas or buffer zones are established in connection with the project;
- Relocation of people without formal, traditional, or recognizable usage rights, who are occupying or utilizing land prior to a project specific cut-off date;
- Displacement of people as a result of project impacts that render their land unusable or inaccessible;
- Restriction on access to land or use of other resources including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas;

<sup>2</sup> <http://pubdocs.worldbank.org/en/837721522762050108/Environmental-and-Social-Framework.pdf#page=29&zoom=80>

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.

## 2.5 Gap analysis

In general, the above described legislation in Montenegro is generally compliant to ESS5 requirements. The main gaps between local legislation and WB requirements and the solutions addressed through this RPF are presented in Table below. In lieu of the level of alignment it is concluded that reconciliation in areas where the national law falls short can be achieved in the phase of negotiations (for both formal and informal owners/users) which are allowed by the legislation, in order to avoid formal expropriation. The most prominent differences are seen in the deduction from the market value for land. This happens in cases when only a part of the entire area is expropriated and the value of the remaining part of the land has been increased because of the investments made by the project (capitalized value); deductions by depreciation, informal users, occupiers and settlements to the meaning assigned in ESS5 are not recognized by the letter of the law, while in practice persons without formal title over residential structures under the national system are recognized as eligible persons guided by the Law on Adequate housing and the decisions of the International Court of Human rights in Strasbourg. There are no requirements for a project specific grievance mechanism, a socio-economic survey or assessment is conducted on a case-to-case basis following suspected vulnerability while gender consideration apart from marital spouses are not observed and the consultation process tend to be initiated only once the formal expropriation has commenced. Assistance to vulnerable persons or groups is not required a priori 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 analysis concludes that the letter of the law provides solutions for most of the gaps but need to be implemented earlier rather than later in the overall expropriation process. Where through timing of triggering the gaps cannot be closed additional mitigation measures have been called for.

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**

| Subject   | Law on Expropriation   | World Bank ESS5  | Gaps and measures for bridging the gaps  |
|---|--|--|--|
| Resettlement instruments, census and social impact assessment | <p>An Expropriation study as an inventory and plan of impacted land and structures, identified by cadastral plots and including list of formal owners is required and is part of any technical design. This study does not include socio-economic baseline conditions. It contains a census of PAPs and affected immovable assets. The socio-economic assessment is called for at the later stage conducted on a case-to-case basis.</p>   | <p>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.</p> | <p>A RPF (this document) will be developed to be followed by RAP as needed if impacts stemming from land acquisition are identified.</p>   |
| Avoidance and minimization of involuntary resettlement        | <p>The Law does not specifically require avoidance of involuntary resettlement. However, resettlement and expropriation are avoided or minimized in practice during project design, in the context of minimizing costs. In addition, the Law allows the expropriation beneficiary to reach a negotiated settlement on the amount and type of compensation with property owners, until the moment the Decision on Expropriation becomes</p> | <p>Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs.</p> <p>The Borrower will consider feasible alternative project designs to avoid or at least minimize displacement.</p>   | <p>Maximum efforts will be made to sign negotiated settlements with project-affected persons in order to avoid expropriation, and such efforts shall be documented, as defined under the “Key Principles” chapter of this RPF.</p> |

| Subject                                 | Law on Expropriation  | World Bank ESS5   | Gaps and measures for bridging the gaps   |
|---|---|---|---|
|   | valid. In that case, the expropriation procedure is terminated  |   |   |
| Community engagement                    | Engagement constrained to formal title holders (including those with recognizable rights) and no requirements for public consultations. | 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.  | Disclose in line with disclosure standards on the project and engage with the PAPs public consultation on this RPF and concurrent RAP. Encourage feedback and incorporate any comments received. Keep RPF and RAP in public domain during the Project life.   |
| Cut-off date for eligibility and census | Cut-off date set for formal owners but no notification required throughout the project area   | 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 be the date when the census begins. 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 without the right to compensation. |

| Subject  | Law on Expropriation  | World Bank ESS5   | Gaps and measures for bridging the gaps   |
|--|---|---|---|
| Eligibility for compensation   | <p>The Expropriation Law recognizes only formal title holders and holders of rights recognizable under national laws (factual ownership). Based on the right to adequate housing persons without formal title to the assets they occupy and use in particular related to residential structures are eligible to receive compensation.</p> | <p>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.</p> | <p>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. In practice, there are no gaps when it comes to persons without formal rights (in particular in cases of physical displacement from structure constructed without a building permit). The MoCI has confirmed that its practice is based on the right to adequate housing and the recent Decision of the Court of Human rights in Strasbourg, France.</p> |
| 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. The compensation is reduced for depreciation including for capitalized value. Registration fees and transfer taxes are not specifically mentioned</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>  |

| Subject                                      | Law on Expropriation  | World Bank ESS5  | Gaps and measures for bridging the gaps   |
|--|---|--|---|
| Escrow accounts                              | <p>BoE is required to deposit with the Ministry of Finance the estimated funds for payment of compensation prior to start of expropriation.</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 RPF including contingencies placed in escrow with the MoF will be made available to eligible persons in a timely manner as issues are resolved. Escrow accounts shall be an exception; they are not intended to be used on a routine basis to postpone addressing ordinary complications in the implementation of a resettlement plan. These will not be used unless the MoCI can demonstrate that it has exhausted all other reasonable effort to address disputed related to compensation,</p> |
| Taking possession of land and related assets | <p>The expropriated land and related assets can be taken once the decision on expropriation becomes enforceable and compensation or replacement assets have been provided or in cases the owner has declined to receive compensation. Exceptionally possession of land and assets can be taken before the decision on expropriation is legally binding in cases of urgency. In this case the PAPs will have choice to request value of assets to be determined either at the time possession has been taken or the at the time the compensation agreement is reached.</p> | <p>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.</p> | <p>Taking of land and related assets after payment of compensation or the case has been referred two the appeal authority or the compensation offer has been rejected but only after depositing to a deposit account with the Ministry of finance funds equal to the assessed value in case the owner disagrees with the offered compensation amount.</p>   |

| Subject                  | Law on Expropriation  | World Bank ESS5   | Gaps and measures for bridging the gaps   |
|--------------------------|---|---|---|
| Gender aspects           | Men and women are equal under the law of the Republic of Montenegro, including the right to hold titles.      | <p>Women’s perspectives must be obtained through consultation and their interests factored into all aspects.</p> <p>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.</p> | <p>Particularly in some rural areas, women’s participation in consultations may be limited. Women only consultation may be held as relevant.</p> <p>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.</p> |
| Grievance Mechanism (GM) | Project specific grievance mechanism is 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 | 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                                   | 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  |

| Subject | Law on Expropriation | World Bank ESS5   | Gaps and measures for bridging the gaps  |
|---------|----------------------|---|--|
|         |                      | <p>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.</p> | <p>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 chapter 7.</p> |

### 3 Resettlement strategies applicable to the Project

#### 3.1 Key principles

MoCI has adopted the following principles to guide any land acquisition and involuntary resettlement under the Project:

- **Efforts in exploring Alternatives** to avoid or at least minimize physical and economic displacement will be made;
- **Detailed RAP(s) will be developed** with the requirements of this RPF. The development of the RAPs will include a **socio-economic survey and census** which will identify both formal and informal land/property users as well as vulnerable persons/households.
- **Vulnerable people** affected by land acquisition will be assisted based on their specific needs which will be identified;
- Efforts will be invested to **identify owners and users** of affected land, while in exceptional cases where such measures did not yield results, temporary representatives for absentees will be appointed to guard their interest;
- **Eligibility will be determined in line with chapter 3.6.**
- Compensation for any affected assets will be provided at **full replacement cost**, regardless of whether they are formally registered or not;
- **In case of physical displacement, compensation will be provided prior to taking possession** of acquired assets; in cases of acquisition of only land, as a rule, compensation will be provided when expropriation decisions are legally binding and prior to land entry and any civil works, while the only exception may be if the affected owner cannot be identified, contacted or is seeking higher compensation through the appeal to the MoF. In such cases, compensation will be executed after all legal actions have been completed in accordance with the law;
- Compensation and assistance will be provided **equally to men and women**;
- A **grievance mechanism** will be established and operated and maintained throughout the life of the project
- **Monitoring** of implementation of the RPF and subsequent RAPs will be regularly carried out including the completion resettlement report. 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 reporting requirements as defined in the Environmental and Social Commitment Plan.

#### 3.2 The Cut-off date

To prevent land and asset speculations, influx and encroachment to the project area the RPF sets the day of beginning of the census as the Project Cut-off date. Persons encroaching on the Project area after the Cut-off date are not entitled to compensation or any other form of resettlement assistance. Similarly, fixed assets (such as built structures, crops, fruit trees, and woodlots) constructed after the Cut-off date will not be compensated.

The moratorium notice informing of the cut-off date shall be disclosed. The information will announce that persons settling in the Project area after the Cut-off date may be subject to removal without compensation. In addition, at the beginning of the Census, every individual surveyed shall be informed about the moratorium date and the respective consequences of commencing activities after the date of beginning the Census.

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 7.

### **3.3 Census and socio-economic survey**

The Census and inventory of assets will be developed to identify eligible PAPs, categories of impacts, directly caused by the implementation of the Project.

The census data needs to be supported and cross-referenced with the following information:

- A list and map of affected land plots, showing the total affected area, with registration numbers, land type (agricultural, construction, industrial) and current land use (pasture, meadow, forest, orchard, and so on)
- A list and map of main structures located on each land plot, their purpose (residential or business), area size and legal status, whether formal (registered, with construction permit) or informal (unregistered, without construction permit). It is important to note that the above list is only indicative and lists examples of possible categorisations of land, structures and affected people in a census.

The MOCI through its PIU will carry out a socio-economic survey on people affected by the Project, including all persons from impacts related to resettlement, restrictions on land use and public amenities. The aim of socio-economic baseline assessment is providing a realistic image of the socio-economic conditions of all affected people, households and businesses. The data collected has to be usable for identifying impacts and designing appropriate mitigation measures. The primary purpose of the socio-economic survey is to gain an understanding of the living standards of affected people/ households, their sources of income, their access to services and infrastructure. Surveys should be designed for a specific project by a social specialist experienced in designing and implementing such surveys, preferably for resettlement purposes. Different survey forms for different target groups where necessary – for example, for households that are to be physically relocated and for businesses, for rural and for urban areas. The surveys will include a comments section for surveyors to note down any observations on issues which are not included but may be of importance for resettlement planning. The survey forms have been tested and have helped refine the form and duration of the survey. The results of the survey will be presented in the resettlement/livelihood restoration plan and show why and how certain mitigation measures were designed. The survey also supplements the census data. The data collected through the survey also serves as a basis for monitoring impacts and evaluating achieved progress in restoring living standards/livelihoods during and after resettlement implementation. Comparing post displacement data collected through monitoring with the baseline data collected through the socio-economic survey will provide information on whether livelihoods and standards of living have improved, deteriorated or stayed the same.

The assessment will identify impacts within a Project's social context and the needs and rights of the affected people and develop appropriate actions to minimise and mitigate resettlement impacts.

To comply with the protection of personal data provided by the Law on protection of individual data of MNE (Official Gazette No. 079/08, 070/09, 044/12 and 022/17), all detailed excel files containing individual information will be kept as a separate file and at the MOCI PIU data base, available only upon request with justified interest, and will not be published.

### **3.4 Vulnerable groups and individuals.**

Not even a preliminary vulnerability assessment could have been conducted at this point to identify vulnerability in the specific context of the project induced resettlement and the wider environment. However, the national baseline conditions and recent similar project have allowed the following drivers of vulnerability to be identified:

- (i) limited access to information because of age, physical disabilities and place of residence (elderly households living , illiterate, persons living in remote areas, persons with lesser education achieved etc.) - possible mitigation measures: additional and individual counseling, communication sharing avenue through the local representatives i.e. Mjesne zajednice
- (ii) Informal owners/occupiers of dwellings.

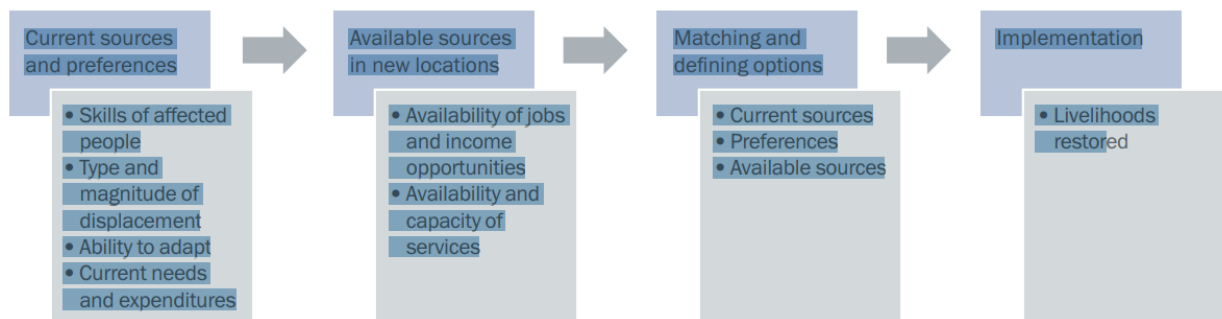
The vulnerability assessment will be part of the socio-economic survey. The results will allow tailored additional assistance and support to be administered to address the specific vulnerability.

### 3.5 Livelihood Restoration measures

Livelihood restoration measures are implemented to ensure that affected people restore or, if possible, improve their pre-project standards of living, livelihood and employment activities. It is critical that baseline socio-economic surveys fully capture both the standard of living and all the types of livelihoods (monetary and non-monetary) that a displaced person/ household/business is dependent on. However, some forms of livelihood may not be declared during the survey, such as those that are informal or illegal. Livelihood restoration must be coordinated with physical resettlement and factored into the choice of resettlement locations. Solutions for restoring and improving livelihoods must be appropriate for the local context and circumstances. The MOCI will explore available options and opportunities for livelihood restoration where affected people are already living (or close to it) and factor this into decision making. Consult with relevant stakeholders, particularly service providers and businesses active in these areas (employment services, local businesses, agencies providing education and/ or training, micro loans etc. Make arrangements for people affected by the project to have priority in accessing jobs created by the project, both during construction and operation were possible.

The aim of the project will be to enable people to continue with the same activities as before displacement in the same or nearby locations by adequacy of compensation and additional support.

The figure below depicts Steps and factors for defining options for livelihood restoration



### 3.6 Eligibility criteria

Any person affected by Project-related 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 is 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. PAPs identified prior to the Cut-off date shall be entitled to compensation, according to the compensation principles set forth in this RPF.

- Eligible 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.

### **3.7 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. If at all, only impacts from permanent loss of construction, agricultural, forest land and/or pastures are expected. However, given the framework approach a wider matrix has been included under this RPF.

**Table 2: Entitlement Matrix**

| Type of loss  | Person with rights   | Compensation policy   |
|---|--|---|
| <b>Economic displacement</b>  |  |   |
| <b>Land</b>   |  |   |
| Permanent loss of construction, agricultural, forest land and/or pastures regardless to severity of loss (whether partial or complete loss) | Owner with formal title (including owner with legally recognizable claim)          | Cash compensation at full replacement cost, <b>or</b><br>Replacement land of a similar quality, size and location<br>Provision of information about the acquisition of the land at least six months in advance of land entry, to allow the person renting the land to find an alternative option and vacate project affected land   |
|   | Formal user (tenant) of land who cultivate agricultural land pursuant to agreement | Notice of acquisition at least three months in advance of land entry to enable the tenant to find other land for lease  |
|   | Informal user of land (users of agricultural land and livelihood is land based)    | Assistance to identify replacement land/resources for use, prior to land entry<br>Provision of information about the acquisition of the land at least six months in advance of land entry to allow the person using the land informally to find an alternative option and vacate project-affected land.   |
| Agricultural, forest land and/or pastures 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. Any identified economically unviable –orphan land, will also be acquired, if requested by the owner and determined as unviable, by certified appraisers |
| <b>PLANTS AND STRUCTURES ON AGRICULTURAL LAND (other than houses)</b>   |  |   |

|  |   |  |
|--|---|--|
| Loss of annual crops, that could not have been harvested prior to land take                  | Owners of crops formal or informal  | Harvesting crops, or<br>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 regardless of their formal rights and types of their tenure rights over the land | The right to collect fruits or lumber, <b>and</b><br>Cash compensation at replacement cost on the basis of 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  |   | Harvesting crops/yield<br>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)  |   | harvesting of woods, <b>or</b><br>The replacement cost determined based on the value of the “wood on the stump” at market value  |
| Forests without mature wood mass   |   | Harvesting of woods, <b>or</b><br>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, <b>or</b> ;<br>At property owner demand, if legal terms are met, appropriate replacement property and costs of resettlement and administrative fees needed for transfer of ownership rights, if any; <b>and</b><br>Transition support while I identifying a viable alternative location, if owner does not own alternative location, <b>and</b><br>Lost net income during the period of transition (measured based on census survey)<br>In addition, Transitional allowance if needed. |
| Impact on agricultural employees, or processors  | Workers, employees  | In case of disturbance of income source transition support, <b>and</b><br>Priority in employment on the Project, if possible and on a case-by-case basis (In accordance with social assessment processed in RAPs)  |

| BUSINESS (but not agriculture)                      |  |   |
|---|--|---|
| Business structures (shops, offices buildings) etc. | Owners with formal title (including owner with legally recognizable claim)   | Cash compensation at replacement costs, including taxes, <b>and</b><br>Costs of equipment and inventory relocation and re-installation, <b>and</b><br>Lost net income during the period of transition (measured based on census survey and official financial statements)   |
|   | Formal user (tenant)   | Compensation for all improvements on premises (such as reconstruction, refurbishment etc.). Compensation will be paid at replacement cost, <b>and</b><br>Costs of equipment and inventory relocation and re-installation, <b>and</b><br>Replacement premises for lease, if premises were leased from state, <b>and</b><br>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, <b>and</b><br>Transitional allowance up to three months at the value of operation costs including Costs of equipment and inventory relocation and re-installation, <b>and</b><br>Compensation for the cost of identifying a viable alternative location.  |
| Loss of non-agriculture based 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, <b>and</b><br>Transitional allowance for loss of net income during the period of transition (net income measured based on census survey and based on official income data against which taxes are paid), <b>and</b><br>Livelihood restoration support as tailored in the RAP                             |
| Loss of non-agricultural businesses                 | Workers, employees   | If employment is terminated or disrupted due to land acquisition allowance will be paid commensurate to income loss. To be determined on a case-to-case basis, <b>and</b><br>Training for alternative jobs if possible, <b>and</b><br>Priority in employment on the Project, if possible and on a case-by-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, <b>and</b><br>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 DISPLACEMENT</b>  |   |  |
| Buildings (residential, houses, apartments etc.)                            | Owner with formal title (including owner with legally recognizable claim)   | Cash compensation at replacement costs, <b>or</b> ;<br>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, <b>and</b>  |
|   | Informal owner – building constructed without building permit on one’s own plot of land if subject to legalization  | Payment for relocation costs (moving allowance) and compensation for other costs during relocation i.e., transitional support (transitional allowance) The type, nature and amount of this assistance shall be determined in the RAPs  |
|   | 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, <b>and</b><br>Provide arrangements to allow them to obtain adequate housing with security of tenure (if they don’t own other structures), <b>and</b><br>Payment for relocation costs (moving allowance) and compensation for other costs during relocation i.e., transitional support, <b>and</b><br>Transitional allowance. The type, nature and amount of this assistance shall be determined in the resettlement instrument i.e., RAP. |
|   | Lessee of the affected property   | Payment of moving allowance and compensation for other costs caused by relocation and cash compensation i.e., transitional support   |
|   | 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, <b>and</b><br>Payment for relocation costs (moving allowance) and compensation for other costs during relocation i.e., transitional support, <b>and</b><br>Transitional assistance suited to the needs of each group of displaced persons.   |
| <b>OTHER RESETTLEMENT SITUATIONS</b>  |   |  |
| Impacts caused by temporary occupancy of land and any                       | 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, <b>and</b>  |

|  |  |   |
|--|--|---|
| damages to the property within and outside the RoW   |  | Replacement cost in accordance with this matrix for affected crops, orchards, nurseries etc, <b>and</b><br>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, <b>and</b><br>Compensation at replacement cost for affected crops, orchards, nurseries etc. in accordance with relevant sections of this matrix, <b>and</b><br>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  | 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. PAPs 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  | Any of the person above  | Any undetermined impact will be mitigated in accordance with principles and aims of this RPF  |

### 3.8 Entitlements – Associated Considerations

Additionally, some entitlement features are explained in more details below:

**The legal status of structures:** The status of structures (residential and business) can vary from formally constructed structures, with all appropriate permits and registered in the Cadaster, to those that have been constructed informally, without the required permits (i.e. the construction permit) and not registered in the Cadaster. The informally constructed structures (or part of structures) can be differentiated to those that are eligible for legalization (usually constructed without permits but in accordance with urban plans and on own land) and those that are not eligible for legalization according to MNE laws (either structures are not in conformity with urban plans or there is a land ownership issue - usually constructed on public or state-owned land). In all these situations, ownership on the structures are not in question, but the status in the expropriation process could be. The MNE Law on expropriation refers to Cadaster for information on structures and ownership of structures.

In the resettlement process according to this RPF, this will be rectified by detailed Census & inventory of assets. All types of structures are eligible for compensation, as defined in the Entitlements.

**Sources of livelihoods:** Incomes and sources of livelihoods of affected persons/households can also be formal and informal. Persons whose incomes/sources of livelihoods are affected, regardless of their status, will be eligible for compensation and/or assistance, as defined in the Entitlements Matrix.

**Resettlement Assistance:** Resettlement assistance will be defined based on the outcome of the socio-economic survey, in accordance with the specific needs of affected people. This assistance is very often, but not exclusively, provided to vulnerable households and individuals which are physically or economically displaced by a Project and can include the following:

- Assistance to resettle to appropriate accommodation with security of tenure. For example, a vulnerable household that has no other place of residence than the affected informal residential structure, may be assisted to resettle to a municipal social apartment, with a long term contract to ensure security of tenure;
- Assistance to find alternative agricultural land or living premises, if cash compensation is selected;
- Provision of transitional allowance;
- Assistance in relocation by helping families move to another home (relocation of furniture, equipment, personal belongings of families, etc.)

MOCI will cooperate with institutions, organizations and other stakeholders that can help provide needed services, local Municipalities and other organizations to assist PAPs in accessing appropriate services and/or achieve rights to which they are legally entitled.

**Livelihood Restoration Assistance:** When implementation of the Project leads to loss of income sources and/or means of livelihood due to economic displacement of PAPs together with compensation for affected assets, MOCI will implement livelihood restoration measures that will be further defined in the RAP. Such measures may include:

- Access to employment opportunities created by the Project (if possible)
- Transitional allowance to cover costs of re-establishing business activities elsewhere;
- Assistance to identify and access other income/livelihood generation activities;
- Assistance in retraining for other available employment opportunities;
- Provision of transitional support whilst re-establishing agricultural activities;
- Moving costs and/or assistance for transport of equipment, machinery, etc.

Livelihood Restoration Assistance will be defined based on the outcome of the socio-economic survey, in accordance with the specific needs of affected people. MOCI will cooperate with institutions,

organizations and other stakeholders, to assist PAPs in accessing appropriate services and/or achieve rights to which they are legally entitled.

**Impacts caused by temporary occupancy of land:** All land temporarily occupied for the Project will have to be fully rehabilitated and reinstated once the agreement period for land use has ended and the land is returned to their owners. Land will be cleared of any waste and all equipment will be removed. Improved quality of the land due to top soiling work should not be removed, except if agreed differently with the PAP. Preventive measures may also include top soil conservation to preserve the quality of the affected land, which will be implemented by awarded contractors and monitored by the MOCI. The goal of these measures is to enable owners or users of the land to maintain the quality of land at least at the level before the implementation of the Project.

Reaching World Bank standards in resettlement also requires an understanding of the differential ways that the Project will impact on women. Individual needs of gender sensitive measures will be determined during public consultations and the socio-economic survey. However, experience has proven that during public consultations most households will be represented by men. Therefore, MOCI will organize additional focus groups, talks and public consultations with women PAPs, and liaison with appropriate stakeholders to define and execute measures.

To reach a goal of identifying, designing and assessing the Project so it can promote gender specific mitigation and equal development opportunities for women and men, measures may include:

- additional support for female-headed households in negotiations, legal process, livelihood restoration and replacing assets;
- Involvement of women in household decision-making (about type of compensation, needed measures, etc.)
- additional inclusion of women's leadership and public participation

**Assistance for Vulnerable Groups:** Specific measures to assist any vulnerable groups identified through the Census and socio-economic surveys will be defined in accordance with their needs. For example, certain groups may need legal or other assistance to restore their livelihoods, such as assistance to improve their businesses, some vulnerable households may need additional services from social workers, and national minorities may require additional considerations during resettlement process according to their national uniqueness, religion, customs, especially RAE groups. Some vulnerable PAPs may need assistance to access social welfare payments which they are entitled to. MoCI will liaise with the Municipality over assistance and support to vulnerable PAPs.

## **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 local 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 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. 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 only 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)**

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.

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 will provide for 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.

### 4.3 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:

- identifying 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 Montenegrin 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, RAP implementation and process of resettlement

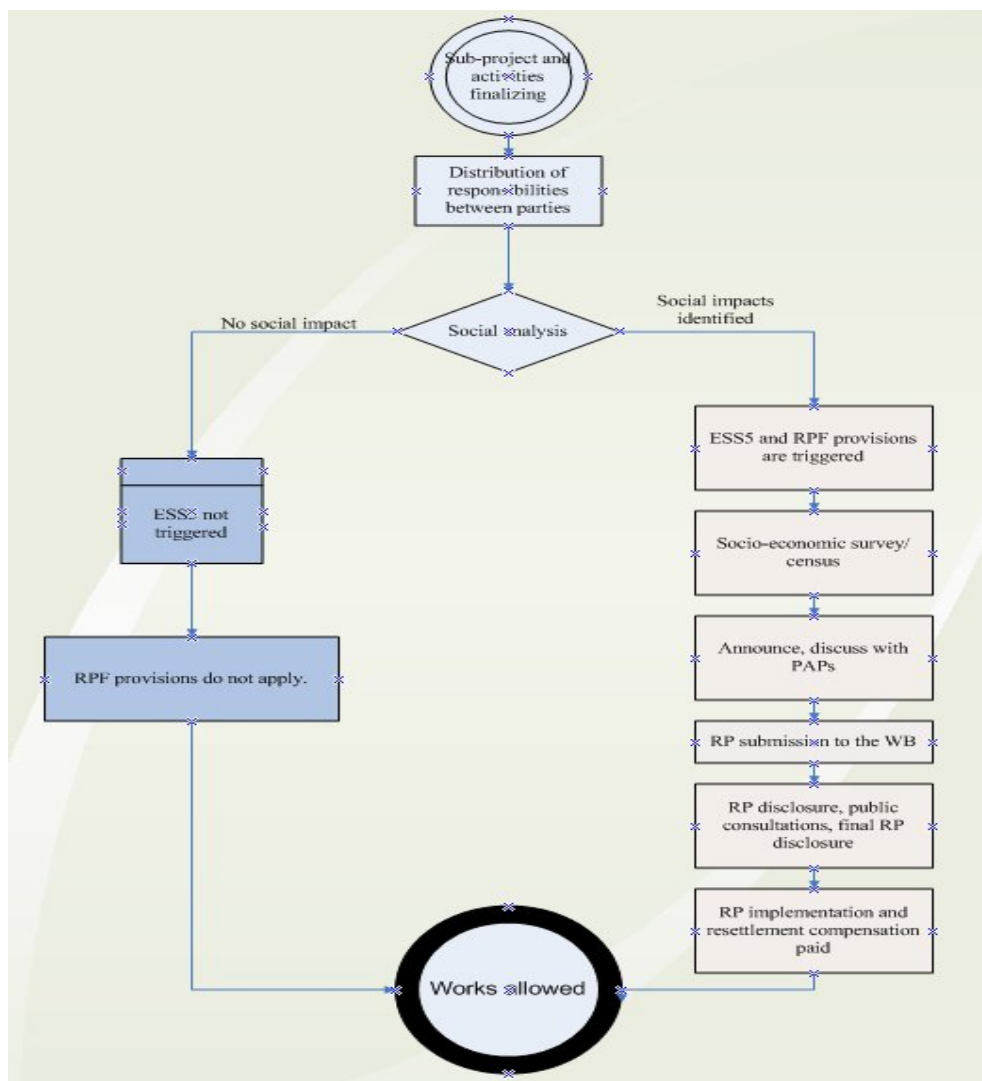


Figure 5 - RAP approval flow chart

COVID -19 consideration - Since the current COVID 19 pandemics could take unpredictable turns site visits and travels might not be allowed. Depending on the severity on non-pharmaceutical interventions and measures imposed by the public authorities and the Government of Montenegro the social surveys may be adapted. Overall, the project will follow relevant national and WHO's guidelines as well as the

Bank's Technical Note: Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings.<sup>3</sup>

#### **4.4 RAP implementation**

No physical and/or economic displacement for any given activity 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.

#### **4.5 Resettlement Audit**

The 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 the PIU (with possible support from external experts): (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 an audit report, and the implementation of gap filling measures, is the pre-requisite for the start of subprojects in such cases.

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<sup>3</sup><https://worldbankgroup.sharepoint.com/sites/wbunits/opcs/Knowledge%20Base/Public%20Consultations%20in%20WB%20Operations.pdf>

## 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; informed participation on matters that affect them directly; proposed mitigation measures; sharing of 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 Montenegrin 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 comments 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 shared in Montenegrin and Albanian if needed.

### 5.2 Public consultation on this RPF

Once the draft RPF has been cleared by the WB, public consultation will be held (these may be held simultaneously for other approved raft Project documents). The RPF will be disclosed (on the PIUs website) and available for public insight not less than 15 days prior to public consultations (see below for social distancing measures applied under the project during COVID-19 pandemic) and sufficient time must be given for submitting comments and questions. MOCI will invest additional effort to advertise and publicize the document by sending the draft RPF directly to those institutional stakeholders involved and responsible for land acquisition and resettlement including local municipalities along the Bar Podgorica Rail line. Public consultation invitations will be sent as well directly to institutional stakeholders and published in national and local newspapers of communities that are known to be, or may be, affected by the Project. Further announcements may follow via 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, Project Beneficiaries, Local Governments, NGOs, National and local media, General public.

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

In light of the largely lifted but still present COVID-19 restrictions, the project may adapt alternative communication and consultation methods. Hence, MOCI may adopt alternative ways in accordance with the local laws, policies and new social norms in effect to mitigate the virus transmission, as well as the Bank's Technical Note: Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings.<sup>4</sup> The alternative approaches for consultations will include:

- small groups consultations if smaller meetings are permitted, or making reasonable efforts to conduct meetings through online channels (e.g. Webex, zoom, skype etc.); Where possible and appropriate, create dedicated online platforms and chatgroups appropriate for the purpose, based on the type and category of stakeholders;
- diversifying means of communication and relying more on social media, chat groups, dedicated online platforms & mobile Apps (e.g. Facebook, Twitter, WhatsApp groups, Viber App groups, project web links/websites etc.);

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<sup>4</sup><https://worldbankgroup.sharepoint.com/sites/wbunits/opcs/Knowledge%20Base/Public%20Consultations%20in%20WB%20Operations.pdf>

- employing traditional channels of communications such TV, radio, dedicated phone-lines, SMS broadcasting, public announcements when stakeholders do not have access to online channels or do not use them frequently. Traditional channels can also be highly effective in conveying relevant information to stakeholders, and allow them to provide their feedback and suggestions
- Chose venues carefully based on hygiene and sanitation standards that can be achieved during the meetings;
- Where direct engagement with project affected people or beneficiaries is necessary, identify channels for direct communication with each affected household via a context specific combination of email messages, mail, online platforms, dedicated phone lines with knowledgeable operators;
- Each of the proposed channels of engagement should clearly specify how stakeholders could provide feedback and suggestions.

### **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 SEL will be kept and maintained.. 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 E&S Specialist of the PIU.

## 6 Grievance mechanism

MOCI will adopt a Grievance Mechanism and will make stakeholders aware of the grievance mechanism by communicating its availability, function, contact persons and the procedures for submitting comments/concerns or grievances in the affected areas. External communications from stakeholders are considered to involve comments/concerns and grievances, as follows:

- Comments/concerns raised by an individual or group may, or may not, arise from a specific impact or incident that is related to a project activity. They can be positive or negative observations on general project performance and, also, can take the form of questions or requests for information; and
- A grievance is a complaint, raised by an individual or group, related to a specific impact or incident, which is considered to affect, adversely, the interests of the complainant. This includes specific concerns about land acquisition and resettlement.

### 6.1 Registering a complaint

Any grievance can be brought to the attention of the Grievance Mechanism verbally (personally or by telephone) or in writing by filling in the Public Grievance Form (by personal delivery, post or e-mail to the address/number given below), without any costs incurred to the complainant. Grievances may also be submitted anonymously or without the use of the form if preferred.

In addition to the Public Grievance Form, a Public Grievance Leaflet ([Annex 1](#)) will be disclosed/made available at:

- the websites of MOCI <https://www.gov.me/mki>
- the websites and offices of the Local Municipalities affected by the Project ( Bar, BijeloPolje, Podgorica, Bozaj), and
- At the construction sites (RLC and BCP) prior to commencement of physical interventions.

Comments/concerns will be conveyed to MOCI via the same means as grievances (see section below). Once received they will enter into MOCI external communication procedures and feedback will be provided according to the requirements of the procedure. Concerns will be identified and every month concerns will be analyzed and a report provided to the senior ministerial level. This will alert to concerns, and acting as ‘early warning’ enable swift action to be taken to address the concerns and, thus, avoid the receipt of grievances in the future.

The grievance mechanism will consist of a Central Desk (CD) with Local Admission Desks for both affected municipalities administered by the MOCI (collectively referred to as Grievance Mechanism). A separate workers’ Grievance Mechanism separate from the public grievance mechanism will be established.

The Grievance Mechanism is developed with the following aims:

- To build and maintain trust of stakeholders;
- To prevent escalation of disputes,
- To prevent adverse consequences of failure to adequately address grievances; and
- To help identify and manage stakeholder concerns and thus support effective risk management.

The system and requirements (including staffing) for the grievance redress chain of action – from registration, sorting and processing, acknowledgement and follow-up, to verification and action, and finally feedback – are embodied in this GM. As a part of the GM outreach campaigns, MOCI will make sure that the relevant staff are fully trained and has relevant information and expertise to provide phone consultations and receive feedback. The project will utilize any existing system operated by MOCI or

to ensure all project-related information is disseminated and complaints and responses are disaggregated and reported.

Initially, GM would be operated manually, however, development of an IT based system is proposed to manage the entire GM. Quarterly reports in the form of Summary of complaints, types, actions taken and progress made in terms of resolving of pending issues will be prepared and disclosed (the tool for such reports is presented in **Error! Reference source not found.**). Once all possible avenues of redress have been proposed and if the complainant is still not satisfied then the GM would advise of their right to legal recourse.

The grievance system shall be effective as soon as practicable, in order to manage and appropriately answer complaints during its different phases. In addition to the GM, legal remedies available under the national legislation remain (courts, inspections, administrative authorities etc.)

The MOCI has already good cooperation with Local Governments and community representatives and will make joint efforts to informing stakeholders about the GM role and function, the contact persons, admission channels, and the procedures to submit a complaint in the affected areas. Information on the GM will be available:

- The website of the MOCI (<https://www.gov.me/mki/>)
- The website/social media managed by Municipality Bar (<https://bar.me/>)
- The website/social media managed by the City of Podgorica (<https://podgorica.me/>)
- Through social media campaigns.

Any type of grievance can be submitted by mail, phone, e-mail or in person using the below access details:

Ministry of Capital Investments

To the attention of the Grievance Mechanism for the Trade and Transport Facilitation Project

Att. Mr. Vladimir Raković

[grievance@MoCI.gov.me](mailto:grievance@MoCI.gov.me)

Address: IV Proleterske 19,

81100 Podgorica

Details of the local access details will be disseminated as part of the grievance awareness campaign. The Grievance Procedure will be free of charge, open and accessible to all, and comments and grievances will be addressed in a non-discriminatory and transparent manner.

## 6.2 The Procedure

In some instances, such as when a complaint is more of a question or request for information, MOCI may be able to resolve a complaint shortly after it is received. In this case, the complainant will be given the information necessary to address the issue, and the complaint will be documented and closed once the complainant is satisfied with the information offered.

When complaints are more complex and require some investigation, the following process will be used:

### Step 1: Receive & Acknowledge Complaint

- Once the complaint is received, it will be recorded in a register.
- MOCI will acknowledge receipt of the complaint by letter within 5 working days of receipt.
- The acknowledgement letter will specify a contact person and a description of what the complainant can expect next, including a timeline.

### Step 2: Evaluate, Assign Owner, and Investigate

- MOCI will assess the complaint to determine how it should be managed and, in most instances, will assign an owner with the substantive expertise to resolve it. The complaint owner will work to understand, investigate, resolve, and follow-up with the complainant. This may involve

seeking information from different departments within MOCI, the Municipalities impacted by the Project or from contractors and supervision consultants.

- The MOCI will work with the complainant to understand the cause of the issue and will need to contact the complainant during the investigation.

### **Step 3: Consult on and Implement Resolution**

- Once the complaint has been investigated, in consultation with the complainant, the MOCI will discuss the results and proposed resolution with the complainant, including a timeline for implementation.
- The MOCI will implement the resolution either directly or through a third party, which will be done in consultation with the complainant.
- The MOCI will review complaints regularly to ensure progress is being made towards resolution. If no progress is being made, the MOCI may decide to escalate the complaint to MOCI management. In such circumstances, the complainant will be updated on progress.

### **Step 4: Close and Monitor**

- After the complaint has been fully investigated, the resolution has been implemented and monitored, and no further action is deemed necessary to resolve the issue, the MOCI will close the grievance.
- In case of anonymous grievance, the final decision will be disclosed on the MOCI website.
- The MOCI will ask the complainant to sign a statement to acknowledge resolution. Signing the statement does not preclude the complainant from raising the issue again, or seeking other avenues for redress should the resolution not result in a permanent fix or the issue recurs.
- If the complainant does not agree with the resolution offered, the MOCI will close the complaint however the complainant may choose to appeal the decision to close the complaint (see Step 5) or seek other recourse.
- The MOCI may re-open the complaint if the complainant provides new information.
- The MOCI may contact the complainant after closure to ensure no other problems have arisen.

### **Step 5: Appeal (optional if complainant is not satisfied)**

- The MOCI will establish an additional mechanism for community members to appeal closure of a complaint when they are not satisfied with the outcome of the investigation and/or the proposed resolution.
- A second-tier panel comprised of trusted external third parties, including technical specialists familiar with the issue or higher management structures of the MOCI. Generally, these people will not have had previous detailed knowledge of the complaint or engagement with the complainant.
- In some cases, the panel may choose to include one or more reputable and independent third parties on the panel.
- The panel may decide to refuse an appeal if they feel the complaint has not been presented in good faith.
- The selection of the mediator or individuals comprising the panel will be conducted in consultation with the complainant and other key stakeholders to ensure there is trust in the process.

At any time can the aide from judicial and administrative authorities be sought without prejudice.

## **6.3 Monitoring and reporting on Grievances**

The CD will be responsible for:

- Collecting data from Local Admission Desks serving as local admission points on the number, substance and status of complaints and uploading them into the single regional database;
- Maintaining the grievance logs on the complaints received at the regional and local level;
- Monitoring outstanding issues and proposing measures to resolve them;
- Disclosing quarterly reports on GM mechanisms;

- Summarizing and analysing the qualitative data received from the local Grievance Admission points on the number, substance and status of complaints and uploading them into the single project database;
- Monitoring outstanding issues and proposing measures to resolve them.

The social monitoring reports to the WB shall be submitted through the MOCI, which shall include a section related to GM which provides updated information on the following:

- Status of GM implementation (procedures, training, public awareness campaigns, budgeting etc.);
- Qualitative data on number of received grievances (applications, suggestions, complaints, requests, positive feedback) and number of resolved grievances;
- Quantitative data on the type of grievances and responses, issues provided and grievances that remain unresolved;
- Level of satisfaction by the measures (response) taken;
- Any corrective measures taken.

#### **6.4 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 2 - Institutional responsibilities**

| Task:   | Responsibility:                   |
|---|-----------------------------------|
| Disclosure and arranging public consultations on the RPF  | MOCI (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  | MoCI as the BoE                   |
| Compensation payment  | MoCI as the BoE                   |
| Grievances management   | MoCI PIU                          |
| Monitoring and reporting on expropriation and resettlement  | MoCI PIU / E&S                    |
| Monitoring and reporting after commencement of works  | Contractor                        |

### 7.2 Monitoring of resettlement process

The Monitoring will be realised through the following three components.

- **Input monitoring (progress monitoring)** – to measure whether the activities (goods and services) have been delivered as specified in the RAP. This will be regularly carried out internally, by the PIU usually on a weekly and monthly basis.
- **Output monitoring (performance monitoring)** – to measure the results of the inputs that have been delivered, such as the number of people/households that have been resettled, received replacement land or assets, cash compensation, livelihood restoration training, and so on. This will be regularly carried out by the PIU, usually on a monthly and quarterly basis.

- **Outcome evaluation (impact evaluation)** – to measure whether the delivery of inputs and the achievement of outputs are contributing to the successful accomplishment of objectives which have been set for RAP implementation.

| Input indicators   | Measurement values  | Frequency of measurement |
|--|---|--------------------------|
| Overall spending on land acquisition (including a breakdown of costs)  | <ul style="list-style-type: none"> <li>▪ Cash compensation</li> <li>▪ Costs of providing assistance, by type of assistance<br/>Consultation and engagement costs</li> <li>▪ Costs of evaluators and surveyors</li> <li>▪ Costs of legal fees</li> </ul> | Monthly                  |
| Total number of owners and total number of formal and informal users of affected land plots  | Baseline data received through the census survey  | Monthly                  |
| Number of formal and informal households that have to be physically displaced<br>Number of formal and informal businesses that have to be relocated  | Baseline data received through the census survey  | Monthly                  |
| Output indicators  | Measurement values  |                          |
| Number (and percentage) of land plots/houses/businesses for which compensation agreements were signed<br>Number (and percentage) of owners/ users who signed compensation agreements   | The percentage should be calculated from the total number of affected land plots/houses/businesses, as identified by the census/survey  | Monthly                  |
| Number (and percentage) of land plots /houses/businesses for which compensation agreements were refused/are still pending<br>Number (and percentage) of owners/users who refused to sign compensation agreements/ are still deliberating | The percentage should be calculated from the total number of affected land plots/houses/businesses, as identified by the census/survey  | Monthly                  |
| Number (and percentage) of land plots /houses/businesses for which compensation agreements were refused/are still pending<br>Number (and percentage) of owners/users who refused to sign compensation agreements/ are still deliberating | he percentage should be calculated from the total number of affected land plots/houses/businesses, as identified by the census/survey   | Monthly                  |
| Number (and percentage) of households that have been physically displaced (moved to another location)<br>Number (and percentage) of businesses that have been relocated  | The percentage should be calculated from the total number of affected land plots/houses/businesses, as identified by the census/survey  | Monthly                  |
| Number of persons/households assisted by the implementation team by type of assistance and by category (owners/users)  | <ul style="list-style-type: none"> <li>▪ Assistance to move or payment of moving costs</li> <li>▪ Access to employment</li> <li>▪ Other assistance (and type)</li> </ul>  | Monthly                  |

| Outcome indicators | Measurement values | Frequency of measurement |
|--------------------|--------------------|--------------------------|
|--------------------|--------------------|--------------------------|

|   |  |           |
|---|--|-----------|
| Number of newly received, open and closed grievances; any trends; and average time for grievance processing | Measure the time interval between grievance registration and closure. Grievances should be reviewed by the implementation team to flag up significant issues in implementation   | Monthly   |
| Average time for payment of compensation  | Average time between acceptance of the offer/signing of the contract and the execution of compensation. This should also be regularly monitored by the implementation team to determine if there are delays which could put affected people in a difficult position.                   | Quarterly |
| How was the received cash compensation used/invested?   | Survey to determine what affected people used compensation for, such as: <ul style="list-style-type: none"> <li>• Replacement land</li> <li>• Replacement housing</li> <li>• Replacement business facilities</li> <li>• Other assets or investments (and types</li> </ul>              | Annually  |
| Re-establishment of incomes/ livelihoods  | <ul style="list-style-type: none"> <li>• Have those who were using land as a source of livelihood/ income managed to re-establish this source and level of livelihood/income?</li> <li>• Assess specifically the situation of any users of land, particularly informal ones</li> </ul> | Annually  |

## **8 Institutional arrangements**

### **8.1 Institutions responsible for Project implementation**

The MOCI through a Project Implementation Unit (PIU) will manage the Project technically supported by the Ministry of Finance in the area of Customs and implementation activities at Border crossing points. The PIU will have primary responsibility for Project execution ensuring that the Project development objectives are met. The PIU is expected to be established within 30days following signature of the Loan Agreement and will be appropriately staffed with managerial and technical capacity. The PIU will also include one Environmental and one Social specialist to support compliance with the World Bank environmental and social requirements and instruments adopted for the Project, namely the SEP, LMP RPF and ESMF.

#### **10. Budget and funding of resettlement**

Land acquisition costs are born by the Beneficiary of Expropriation i.e. the MoCI and will be budgeted within the Budget for the upcoming fiscal years in which land acquisition is to commence. 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 of cost is possible at this stage. However as impacts from land acquisition are either not expected at all, or very minor the costs will not be significant to impose risks at planning or implementation of any aspect of this RPF

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.

**Annex 1 - Grievance registration form**

| <b>GRIEVANCE FORM –</b>   |  |
|---|--|
| <b>INFORMATION ABOUT THE PERSON SUBMITTING THE GRIEVANCE</b>  |  |
| <b>Reference no.</b>  |  |
| <p><b>Full Name</b><br/>Note: you can remain anonymous if you prefer or request not to disclose your identity to the third parties without your consent</p>         | <p>First name _____<br/>Last name _____</p> <p><input type="checkbox"/> I wish to raise my grievance anonymously<br/><input type="checkbox"/> I request not to disclose my identity without my consent</p>   |
| <p><b>Contact Information:</b><br/>Please mark how you would like to be contacted (mail, phone, e-mail)</p>   | <p><input type="checkbox"/> By Post: Please provide mailing address: _____</p> <p><input type="checkbox"/> By Telephone: _____</p> <p><input type="checkbox"/> By E-mail _____</p> <p><input type="checkbox"/> I don't wish to be contacted and will follow up on the resolution on the MOCI website</p> |
| <p><b>Preferred Language for communication</b></p>  | <p><input type="checkbox"/> Montenegrin<br/><input type="checkbox"/> Other please specify _____</p>  |
| <p><b>Description of Incident or Grievance:</b></p>   | <p>What happened? Where did it happen? Who did it happen to? What is the result of the problem?</p>  |
| <p><b>Date of Incident/ Grievance</b></p>   | <p><input type="checkbox"/> One time incident/grievance (date _____)</p> <p><input type="checkbox"/> Happened more than once (how many times? _____)</p> <p><input type="checkbox"/> On-going (currently experiencing problem)</p>   |
| <p><b>What would you like to see happen to resolve the problem?</b></p>   |  |
| <p><b>Signature:</b> _____ <b>(not required in case of anonymous complaints)</b><br/><b>Date:</b> _____</p>   |  |
| <p><b>Please return this form to:</b></p> <p>Ministry of Capital Investment<br/>To the attention of the CGD<br/>Address: IV proleterske 19,<br/>81100 Podgorica</p> |  |

## Annex 2 - Social screening template

### SOCIAL SCREENING FORM FOR SUB PROJECTS/ACTIVITIES

This screening report comprises the screening form, ownership evidence and pictures from the walkover survey.

Component from the PAD:

Name of Activity:

Type of Activity and Procurement Package as assigned in the Procurement Plan:

Location of Activity:

Project Implementing Agency:

Brief description of baseline conditions, human environment, sensitive receptors, :

Screening indicators related to Land acquisition, assets and access to resources

|    |  | YES | NO |
|----|--|-----|----|
| 1  | Will the activity require that land (private) be acquired (temporarily or permanently) for implementation?   |     |    |
| 2  | Has land been acquired in anticipation of the project?   |     |    |
| 3  | Will the activity require land that is currently occupied or regularly used for productive purposes (e.g. gardening, farming, pasture, fishing locations, forests)   |     |    |
| 4  | Is physical displacement of individuals, families or businesses anticipated  |     |    |
| 5  | Will the activity result in the temporary or permanent loss of crops, fruit trees or household infrastructure  |     |    |
| 6  | Result in 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 | Have any negative impact to formal or informal business (specify which)  |     |    |
| 11 | Impact internally displaced persons or refugees  |     |    |
| 12 | Impose Restriction on access to land or use of other resources including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas; |     |    |

If any of the boxes are ticked YES, ESS5 is relevant and the application of the provisions of the Project RPF is triggered. The PIU is required to follow the provisions of the RPF to determine which type of site-specific instrument will be prepared in line with chapter 5.4 of the RPF.

#### 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

E&S Specialist

**Annex 3 - Record keeping template**

The World Bank Trade and Transport Facilitation Project Phase 2  
 -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                      |                            |                           |   |                                     |   |  |  |   |