



**SERBIA CORRIDOR X HIGHWAY PROJECT**

**RESETTLEMENT ACTION PLAN**  
**(For the E 80 Motorway Section: Piroć East - Dimitrovgrad)**

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## ABBREVIATIONS

<b>CLEIA</b>	CORRIDOR LEVEL ENVIRONMENTAL IMPACT ASSESMENT
<b>EBRD</b>	EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT
<b>EIA</b>	ENVIRONMENTAL IMPACT ASSESMENT
<b>EIB</b>	EUROPEAN INVESTMENT BANK
<b>GC</b>	GRIEVANCE COMMISSION
<b>K10DOO</b>	KORIDOR 10 DRUSTVO S OGRANICENOM ODGOVORNOSCU (KORIDOR 10 LIMITED LIABILITY COMPANY)
<b>MOE</b>	MINISTRY OF ENVIRONMENTAL PROTECTION
<b>PAP</b>	PROJECT AFFECTED PERSON
<b>PERS</b>	PUBLIC ENTERPRISE ROADS OF SERBIA
<b>RPF</b>	RESETTLEMENT POLICY FRAMEWORK
<b>RSD</b>	REPUBLIC SERBIA DINARS
<b>SIA</b>	SOCIAL IMPACT ANALYSIS
<b>WB</b>	WORLD BANK

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## Executive Summary

The Resettlement Action Plan (RAP) is a document the preparation of which is determined by the Resettlement Policy Framework (RPF). The objective of this document is the protection of Project affected person (PAP), fulfillment of international obligations, as well as a greater extent to transparency of the expropriation process.

The RAP is an information-gathering and analytical process that helps to design development that has least impact on affected communities. Its objectives are to evaluate all physical or economic impacts, displacement, or temporary or permanent loss of assets or facilities that maybe experienced by Project affected communities. It thus identifies people affected by the Project, the nature and the degree of the impact on them measures taken to minimize the effects.

In line with similar projects implemented in Serbia, construction is expected to start after contract signing following international competitive tendering. Pre-construction activities associated with design work include soil investigations and detailed survey of the alignment. Actual mobilization for construction work will follow within 3 months from the time the detailed design is finished. The mobilization period includes activities for preparation of material storage areas, camps water, power, communication and other site facilities.

Most works will proceed during the entire year. The project is planned to be completed within 24 months from commencement of works.

Land acquisition and resettlement widely involve many aspects and relate excessively to benefit PAP, thus during the implementation PAP complaint and grievances on the resettlement and compensation are inevitable to occur. In order to solve successfully the complaint and/or grievance, Public Enterprise Roads of Serbia (PERS) has established an independent body according to the Resettlement Policy Framework (RPF), to precede the grievances fairly and effectively, to ensure the smooth implementation of resettlement and land acquisition.

The Beneficiary of Expropriation PERS, on behalf of the implementation entity K10DOO will monitor the implementation of the resettlement processes, both through internal, official institutional arrangements, as well as by independent, external consultant to be appointed by implementing entity. The external monitoring and evaluation consultant will be appointed prior to construction starting on this section.

The Government of the Republic of Serbia wants to develop and complete the core road infrastructure on Corridor X within the next 4 years. The objective is to facilitate sustainable economic development and ensure that the country capitalizes on its geographical position to continue its development as a key transit country on the Trans-European Network. The Government of the Republic of Serbia requested the assistance of the European Bank for Reconstruction and Development (EBRD) to lead the preparation and contribute to the financing of a program to develop two sections along the East corridor of Corridor X – E80: Crvena Reka – Čiflik, and Pirot East - Dimitrovgrad.

The total cost of the EBRD Corridor X Highway project is EUR 150 million which will be co-financed with the Government of Serbia. In addition, two other International Financing Institutions, the European Investment Bank (EIB) and the World Bank (WB), (hereafter referred to collectively as the IFIs), and one bilateral donor, the Hellenic Plan for the Economic Reconstruction of the Balkans (hereafter referred to as HiPERB) have confirmed their commitment to provide parallel financing to a broader Corridor X program to construct 160 km of motorway at a

provisional cost estimate of Euros 1.3 billion: In addition to the EBRD loan of EUR 150 million, WB will provide EUR 298.5 million and EIB will lend EUR 600 million for sections on both E 80 and E 75, and Greece will grant EUR 100 million under HiPERB which will be allocated to one section of the E-75 between Donji Neradovac and Levosoje.

Total length of the Section Pirot East - Dimitrovgrad is 14.3 km, from km 81+450 to km 95+731, and it acquires a total area of 221,98 of land and affects eight Cadaster Municipalities within the Pirot Municipality (Poljska Rzana, Trnjana, Veliki Jovanovac, Mali Jovanovac, Veliko Selo, Sukovo, Gradiste, Ciniglavci) and two Cadastre Municipalities within Municipality of Dimitrovgrad (Gojin Dol and Zeljusa).

The Social Impact Assessment (SIA) analysis for the Section has been done after drafting the project documentation for construction of the route on this corridor. Within the legislation of the Republic of Serbia, the issue of the local population is defined in the Law on Planning and Construction and the Law on Expropriation, and those two laws are the framework for carrying out preparations for cooperation with citizens, defining the rights of citizens, meaning the owners of the real estates in the zone of the route, as well as defining the obligations of the Beneficiary of Expropriation. Legal regulations in Serbia do not envisage an obligation for the contractor to carry out an evaluation of effects of the planned activities on the social development of the community, especially on the populace and households which are directly or indirectly affected by these activities.

The data collected in the polling established the volume and depth of poverty in the Municipalities of Pirot and Dimitrovgrad. Specifically, the municipality of Dimitrovgrad belongs to the group of less developed regions (60-80% of national average) in the Republic of Serbia, with high levels of unemployment, below average incomes, intensive emigration and a large percentage of elderly households. Poverty is significantly widespread and profound in rural settlements of the municipality whose poor residents live in substandard environments with poor road infrastructure, poor and unorganized water supply, lack of sewer system infrastructure and telephone networks, low-quality and unavailable health services, low-quality basic education with the likelihood of primary schools being closed due to the small number of students, and unorganized public transportation which connects to the municipality center. On the other hand, Pirot belongs to the more developed regions of Serbia with the level of development in the range of 80-100% of national average. Tigar Corporation with its 2,179 employees (as of September 2011) is one of the organizations which is significantly contributed to the economic development of Pirot area. Moreover, Municipality Pirot has established the Office for Local Economic Development and the Municipals Service Centre which roles are to transparently and efficiently promote economic development of the city and solve citizen's grievances which all contributes to its prosperity. The city itself has proper infrastructure and health care facilities, however, in the rural area of the municipality the situation is similar to the one in Dimitrovgrad since the citizens are older with smaller income, improper healthcare and poorly developed local infrastructure.

The socio-economic and demographic markers of the polled owners and their households reflected the conditions within the municipalities of Pirot and Dimitrovgrad. Despite the estimation of individual socio-economic status, it is undisputed that the polled households will be better off than the average socio-economic performance in the reference limits of the affected Municipalities. Specifically given the low rate of land transaction recorded in Pirot and Dimitrovgrad, the

expropriation gives the affected households an income that they could not achieve through ordinary market transfers or otherwise.

It is generally considered that the money acquired from expropriation of real estate would improve the economic situation of the household, and could potentially be a push-factor for advancing the socio-economic status of the household. Specifically, around one half of the interviewed PAPs plan to either invest the money to improve their living conditions by buying new house, flat or investing in the residential building they already own or to give the money to their children and grandchildren (for education, to help them to settle with their new families, etc.). The rest either plan to put the money received on a savings account or invest in agriculture. Taking this into account, on the level of individual households, definite positive effects from the process of expropriation could be expected.

Construction of this section of the motorway is also expected to bring positive effects for a large number of residents who live in neighboring rural settlements, because the current traffic way, from which transiting traffic will be relocated and redirected to the highway, will become significantly safer.

Expropriation takes place after a certain alignment is declared to be of public interest. The public interest is being declared by the Government of Republic of Serbia. For this section Public interest has been declared by the Act of the Government of Republic of Serbia 05 No. 465-4128/2012 dated 26 June 2012. At every phase, PAPs have a possibility to protect their given rights by involving themselves at each and every step being taken either by the Beneficiary of Expropriation or by the institutions which by authority take the leading role in the expropriation process. Moreover, PAPs have the legal right to challenge all decision being made either through appeals process according to the Serbian Law on Expropriation or through grievances as is prescribed in RPF and this RAP. Finally, PAPs have the right to enter into judicial process to exercise their rights to the Supreme Court of Serbia.

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## CHAPTER I – INTRODUCTION

### 1.1. Background

The Government of the Republic of Serbia is currently developing the core road infrastructure on Corridor X with the assistance of International Financial Institutions. The objective of this infrastructure development is to facilitate a sustainable economic development and ensure that the country capitalizes on its geographical position to continue its development on Trans European Network. As part of this core road network improvement, the European Bank for Reconstruction and Development is financing the construction of two sections along E 80 Crvena Reka – Čiflik, from km 40+650 to km 53+317 and Pirot East - Dimitrovgrad from km 81+450 to 95+731.7. PERS as the Beneficiary of Expropriation, in cooperation with the Department for Urbanism, Civil Engineering, Property and Legal Affairs within the municipal administration of the Municipalities of Pirot and Dimitrovgrad is conducting the expropriation process for the Section Pirot East – Dimitrovgrad for which this specific RAP is prepared and for which approximately 221.98 hectares of land needs to be acquired.

### 1.2. Objectives of RAP

Development projects that involve involuntary land acquisition and resettlement can cause long-term hardship, impoverishment, and environmental damage unless appropriate measures to mitigate these impacts are applied. This Resettlement Action Plan (RAP) is specifically related to the Highway section Pirot East - Dimitrovgrad on E80 motorway axis, in the total length of 14.3 km involving approximately 221.98 hectares of land expropriation comprising approximately 1,062 expropriation cases. No residential structures are identified as being potentially subject to physical relocation. This RAP is prepared according to the Laws and Regulations of Republic of Serbia and Resettlement Policy Framework adopted for this program by the Government of Republic of Serbia which is consistent with the World Bank's operational policy provisions for involuntary resettlement. The objective of this RAP is to set out an action plan for the resettlement and rehabilitation of Project Affected Persons (PAPs) to ensure that they will benefit from the Project and that their standards of living will improve or at least be restored after the displacement. Acquisition of land and other assets for the Project will adversely affect the livelihood of persons who live, work or earn their living on the land that will be acquired for the project. PAPs are defined as those persons whose land is being expropriated, or those whose income or livelihoods will be adversely affected by land acquisition for the project.

### 1.3. Scope of RAP

Keeping the above objectives in mind, the scope of this RAP includes but is not limited to:

- a) Provide the details on the policies governing land expropriation, the range of adverse impacts and entitlements;
- b) Present a strategy for achieving the objectives of the resettlement/land acquisition policy;
- c) Provide a framework for implementation of the stated strategies to enquire timely acquisition of assets, payment of compensation and delivery of the benefits to PAPs;

- d) Provide details on the public information, consultation and participation, and grievance redress mechanisms in project planning, design and implementation;
- e) Provide identified sources and estimates of required resources for implementation of the RAP;
- f) Provide a framework for supervision, monitoring and evaluation of resettlement implementation.

#### 1.4. Social Impact Assessment

In line with the provisions of RPF, a baseline socio-economic survey among the affected people was carried out to record their key socio-economic and demographic characteristics which will serve as basis for measuring the changes in the living standards in the post impact period. Accordingly, this survey was carried out by K10DOO and external consultants during the period of **August and September 2011**. The survey covered the details of individual losses of land and other properties and collection of household information related to assets, income and expenditure, demographic characteristics, housing and access to basic amenities, etc. PAPs are defined as those who on account of the execution of the Project had or would have their:

- a) standard of living adversely affected; or
- b) right, title or interest in any house, land or any other fixed or movable asset acquired or possessed, temporarily or permanently,
- c) business, occupation, works of place of residence or habitat adversely affected, and
- d) residence expropriated resulting in their physical displacement.

Accordingly, the following categories of project affected people were identified:

- a) PAPs, with formal title, who lose all or part of their land;
- b) PAPs, with formal title, who have immovable property on the land to be expropriated;
- c) PAPs with formal title over businesses that are affected by the loss of all or part of the land on which the businesses are located;
- d) 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;
- e) PAPs with formal title of tenancy on private or public land;
- f) PAPs with formal title over land, that will be needed during construction on a temporary basis;
- g) 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); and
- h) PAPs without formal title of ownership or use but who have established usage of public land by investing in immovable objects, crops, woods, trees, fruit bearing trees, vineyards, the age of crops, and the time needed to reproduce them.

#### 1.5. Nature of Impacts

The following impacts are identified in the project:

- a) **Permanently acquired land** consists of cultivated and non-cultivated land within the line of expropriation. The cultivated land includes paddy field, dry field, vegetable field, non-cultivated land, forestry field and housing land;
- b) **Relocated buildings**: buildings relocated within the line of expropriation, mainly including brick and concrete houses and simple houses;

- c) **Affected land attachments:** land attachments located within the line of expropriation, mainly including supporting walls, wells, brick/tile kiln, etc.;
- d) **Affected families:** all families that have land, building or land attachments;
- e) **Project Affected Persons:** population of all families affected by the project.

### 1.6. Zone of Impact

While performing the Social Impact Assessment for the construction of E 80 highway Nis-Bulgarian border, section Pirot East – Dimitrovgrad, on local communities, three specific zones of influence were defined according to the criteria of expected effects that may be brought on the life quality of local population by the construction of a new road:

- a) Zone of corridor where **direct effects** on residents and households may be expected and from where it is essential to relocate buildings and expropriate all real estate property,
- b) Zone of **indirect effects** on settlements and land in contact zones outside the Corridor itself and
- c) Zones **influenced by intensive traffic volume** on the existing track of E 80 Motorway, which will be relaxed.

#### Zone of Corridor with direct effect

The expropriation of land in this zone involved 1,062 expropriation cases. All of these PAPs chose monetary compensation instead the one in kind. No residential structures are identified as being potentially subject to physical relocation. During the farmland expropriation, all owners opted to be financially compensated instead of receiving other land in exchange for the expropriated land. The preliminary expropriation based on the preliminary design started in 2009, however, the one for the main design began in May 2011 and was finished by the end of the same year. All the respective owners have entered the administrative process of expropriation excluding the ones who are living outside of Serbia. In those cases the process is still ongoing. Obviously, the reason for this is the fact that the land within the Corridor zone is not used as a primary or basic income source of a household, but instead the farm production is predominantly pursued for the needs of the household itself. In addition, a number of farm plots that are the subject of expropriation are neglected and uncultivated, which means that the plots are not at all being used for agricultural production. Expected effect of such practice in farm land exploitation is that all land and building owners within the Corridor zone had opted for financial compensation and not for the exchange that is receiving new farm land as a form of compensation for expropriated land, which was offered to them in line with provisions of the Law on Expropriation. Overall, along the Corridor alignment there were no owners/households that deal in non-agriculture business or any households whose main income source comes from farm production. Additionally, in line with the Law on Expropriation, the households whose property was only partially within the boundaries of the Corridor were offered expropriation of the entire property, to ensure that partial expropriation of land would not jeopardize further agricultural activities and by that the existence of the household.

Valuation of compensation for losses shows data on the number of submitted expropriation applications, as well as on the number of agreements on the compensation form and amount made by mutual agreement. Of the total of 1,062 cases only 64 were not resolved by mutual agreement but instead they were forwarded to the competent municipal court following the decision on the compensation amount made by the Appeals Commission. Among households with property within

the Corridor alignment, there were no vulnerable households (households with only old age members, households with disabled members that require constant care and aid from other persons etc.), that is households that would require certain forms of support during relocation. During the negotiation process on form and amount of compensation for the expropriated land, no household demanded some other form of support such as social or support in purchasing new land, construction of a new housing facility, croft arrangement etc. The only required form of compensation was the one in financial equivalent, especially for expropriated real estate property, while none of the owners affected by expropriation accepted the compensation in adequate land.

### **Zone of indirect effects in the vicinity of the Corridor**

The settlements along the construction area for the new highway are expected to experience indirect impacts from the construction – influx of people (people working on the construction temporarily relocated to the area - workers, engineers, supporting staff), increase in local economy (local businesses, price of rent, catering, utilization of local workforce on the project) and increased market value (for land, as well as goods and services).

### **Zones influenced by intensive traffic volume on the existing track of E 80 Motorway, which will be relaxed.**

Section construction will enable the relocation of the transit traffic from existing regional road to the new Highway. This way spatial and functional integration of local settlements and cities of Pirot and Dimitrovgrad with the largest regional administrative center (Nis) and other big cities will be provided as well as considerably improved. Moreover, the social, health, educational, cultural and other services organized in these cities will become more available to the citizens of smaller settlements affected by this section. Redirection of transit traffic shall provide a higher level of safety for children attending the local schools and improve general road safety of the area.

## CHAPTER II – LEGAL FRAMEWORK AND RESETTLEMENT POLICY PROVISIONS

### 2.1. Legal process for Expropriation

The applicable legal framework for Expropriation was described in RPF. The most important features of the Law on Expropriation are provided below:

- a) It is intended to ensure simple, efficient process which would be completed within six months.
- b) The fair value of the land affected by a particular scheme, or project, is determined by the Tax Administration, on behalf of the „Beneficiary of Expropriation”. The value is assessed on the basis of comparable sales transactions in the area in the recent past.
- c) In the case of privately owned agricultural land, if comparable land of the same type and quality, or the appropriate value, in the same area or vicinity (Article 15 of the Expropriation Law) is identified by accredited expert, it is offered to the project affected person with formal title.
- d) In case of disagreement on the comparability of the land offered, a different accredited expert would be hired by the local municipality to determine the comparability of the land offered.
- e) Further disagreement would result in the project affected person resorting to the judicial process, where a decision would be made on the comparability of the land, or the payment of the assessed fair value in monetary terms.
- f) Where comparable land cannot be identified, the project affected person with legal title is offered the assessed fair value as determined by the Tax Administration. If the project affected person wishes to challenge the assessment of „fair value”, they can initiate the judicial process.
- g) For the project affected person, without formal title, there is no provision to pay compensation currently under the Law on Expropriation. In case where there is a conflict between the Republic of Serbia Laws and WB policy, the provisions of the RPF and the relevant safeguards will apply.

In the case of the Corridor X Highway project/program, the Beneficiary of Expropriation is PERS, on behalf of the implementing entity, the K10DOO, or in future the latter directly on its own account.

### 2.2. Expropriation process followed for E 80 Highway

Public interest for expropriation, i.e. administrative transfer of immovable property – land and structures on the land for the purposes of construction of the E 80 motorway from Belgrade – Nis to Bulgarian border, was determined by the Decision of the Government of the Republic of Serbia, 05 No 465-3654/08 dated 11 September 2008 and published in the “Official Gazette of the Republic of Serbia“ No. 84/2008. The following are some of the selected provisions of the expropriation.

The Law on Expropriation requires the Beneficiary of Expropriation to justify the need for expropriation and to demonstrate that the scheme cannot occur without the proposed expropriation. The declaration of public interest/use is a special procedure, which precedes and enables any property acquisition and expropriation. When the scheme is declared to be “of public interest”, a concrete expropriation proposal by the Beneficiary of Expropriation is prepared and then submitted to the relevant municipality encompassing the PAPs. A concrete expropriation proposal is prepared for each PAP that contains the amount of land involved, the assessment of fair value for any

immovable property, the justification of the need for the specific expropriation, together with the confirmation that the scheme is included in the relevant regional and/or spatial plan. The concrete expropriation proposal also involves the Beneficiary of Expropriation arranging a Bank Guarantee with a Commercial Bank for the assessed fair value. This assessment is prepared by referring to the Cadaster Register, which provides details on the title holder, the immovable property, the type of land, and the area of the affected land. The concrete expropriation proposal also obliges the Beneficiary of Expropriation to submit a request to the Cadaster Office, Land Registry, or other public register, to prevent any transaction (Article 32) on the land to be expropriated.

Immovable property, as defined, may be expropriated when necessary for the construction of facilities or undertaking of works of “public interest/use.” The key assumption is that the scheme cannot progress without expropriating the immovable property. The assessment of fair value takes into account the value of land, the cost of structures and installations, crops, woods, trees, fruit bearing tress, age of crops, vineyards, and the time needed to reproduce them. The impact of the scheme on the value of land will not be considered in the fair value of the immovable property. Under the Law, expropriation must be completed and all PAPs are compensated in comparable land or in monetary terms, before the Building Permit (or Construction License) is issued to the contractor to mobilize and start the civil works. In the event that a project affected person (s) disagrees with the offered compensation in either form, they can resort to the judicial process, and the Beneficiary of Expropriation can request the Ministry of Finance, on an exceptional basis, for the permission to access the said plot (s) (Article 35).

For any specific scheme to obtain public interest status, the Beneficiary of Expropriation is obliged to submit to the Government (through the Ministry of Finance) the feasibility study, the justification of the need for the specific expropriation, the estimated costs, the estimated land affected, and to the extent that details are available, the number of affected plots of land. The request for the designation must also document that the scheme is included in the relevant local, regional, or spatial plan. The public interest status can be granted at either national, or local, level depending on the specific Beneficiary of Expropriation, and the nature and size of the „scheme”.

The Beneficiary of Expropriation is not required to prepare a social assessment (socio-economic study) or a baseline census with regard to PAPs.

### **2.3. Resettlement Policy Provisions**

The RPF outlines the process of expropriation and additional support for various categories of affected people and the process of carrying out the Social Impact Assessment and preparation of Resettlement Action Plan (RAP) prepared in line with the Serbian Government’s laws and the World Bank’s operational policy provisions for involuntary resettlement which have been adopted for this program by the Government of Republic of Serbia. The key supplementary support in addition to compensation under Expropriation is described below (See Annexure IV):

- a) **Unviable or redundant parcel:** An accredited expert, on behalf and at the PAP request will make an evaluation whether the remaining parcels are economically unviable. This assessment is done on site, in the presence of the PAP, the Beneficiary of Expropriation and representatives of the Municipality. In case of these, the affected people will be offered an option to surrender and receive compensation for the entire parcel of land.

- b) **Land needed for project works on temporary basis:** In case of any land parcels required during the construction period on temporary basis, the lands will be taken on lease basis and rental allowances will be paid for temporary duration.
- c) **Loss of Houses:** In addition to compensation under expropriation, the families losing houses will receive additional support for moving expenses, transitional allowance and costs towards administrative and transfer taxes. Moving expenses are defined as costs to move households by truck, costs to move households by accredited moving companies, according to the price list for similar moving in the area. According to the Law on Taxes and Tax administration, PAPs are exempted from all and any such obligation to pay administrative and transfer taxes. Transitional allowances are defined to the maximum of 3 months minimum wages at the value given by the Republic Organization of Statistics for the month the payment is being made.
- d) **Non-title holders occupying the public lands:** Compensation to replace lost assets to the project.
- e) **Affected leased public properties:** Assistance to provide alternative corresponding equivalent public properties.
- f) **Tenants, employees or workers:** Compensation for loss of income and replacement cost for any investments, three months livelihood assistance in the amount of maximum three minimum wages. The replacement cost is determined by an accredited expert.
- g) **Impact on business:** Relocation cost of affected business and replacement cost of business is determined as cash compensation at replacement cost for affected structure calculated based on the market price determined by the Accredited experts office, one time allowance for costs of moving, calculated as moving expenses, and taxes. Replacement cost of affected business, cash compensation at replacement cost for affected structure calculated based on the market price determined by the Accredited experts office, one time allowance for costs of moving, calculated as moving expenses, and taxes.
- h) **Assistance to Vulnerable people:** Vulnerable households/PAPs will be identified with the assistance of the local welfare agencies. If identified, these households will be provided additional support as monthly allowance in the amount of the monthly minimum wage for a period up to 6 months utmost.

## 2.4. Institutional framework

Under current regulations there are several institutions involved in the entire process of land acquisition. The details of various institutions and their role in expropriation process are outlined below.

### Local Municipality

The role of the municipality is to handle all expropriation proposals submitted by the Beneficiary of Expropriation. Its authority also lies in handling the compensation process.

### Ministry of Finance

The role of the Ministry is to propose to the Government for the Scheme to obtain public interest. It is also deciding on the Appeals in second level related with expropriation and property real rights.

### Tax Administration Office

Its rule is to determine the market value of the land being expropriated.

**Ministry of Agriculture**

Its rule is to submit to the PERS information regarding available agricultural land that can be offered as compensation according to the lines of 15 of Law of expropriation.

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## **CHAPTER III – EXPROPRIATION AND COMPENSATION PAYMENT**

### **3.1. Introduction**

Public interest for expropriation and administrative transfer of immobility for construction of Highway E 80 section Pirot East – Dimitrovgrad was enforced by the Governments decision 05 No. 465-4128/2012 dated 26 June 2012 based on the article 20 of Law of Expropriation.

### **3.2. Expropriation Process**

The expropriation had been carried out during 2011 and finished by the end of 2011, for a length of 14.3 km and covered the cadastral municipalities within Pirot and Dimitrovgrad, whereas the total expropriated area is estimated to be around 221.98 ha. Upon the legal validity of the decision on expropriation, the owners of the expropriated properties are provided with compensation offers. Beneficiary of Expropriation through the Municipalities of Pirot and Dimitrovgrad proposes at first compensation in adequate land, after which in case this offer is not accepted the Beneficiary offers monetary compensation. The written offers include compensation amounts for the land, crops and structures. Upon the completion of the expert survey by Tax Authority, the fair value offer for the expropriated land will be made based on the location, quality and purpose of the land. The value of plants has been determined by the agricultural expert.

A process has been adopted for negotiations with the local population/households, whose land or structures are located within the boundaries of the impact area, which can have an effect on works and the forming of a new traffic way. After filming the terrain, the properties which will be the subject of expropriation and the owners of these properties were recorded. Owners have been offered two models of expropriation: (1) Providing ownership of new land in exchange for the expropriated land (agricultural), and (2) Payment of money in the amount of the estimated market value of the land or structures.

During the farmland expropriation all owners opted to be financially compensated instead of receiving other land in exchange for the expropriated land. Obviously, the reason for this is the fact that the land within the corridor zone is not used as a primary or basic income source of the households, but instead the farm production is predominantly pursued for the needs of the households itself or as additional income. Additionally, some of the farm lots which are the subject of expropriation are neglected or uncultivated. Additionally, in line with the Law on Expropriation households whose property is only partially within the boundaries of the corridor were offered expropriation of the whole property, should the expropriation of only one part of farm land jeopardize further agricultural activity.

### **3.3. Compensation cost for standing crops**

Compensation cost for standing crops is determined by an accredited agricultural expert from the Institute for Expert Analyses of the City of Belgrade, and in accordance with Article 45 – 47 of the Law on Expropriation (harvest, age, fertility, undercoated investments...). The Compensation includes the current market value of crops, including the time needed to reproduce them. Fruit bearing trees the value of the harvest, including the value of time needed to reproduce such harvest, the replacement cost for any investment (input, labor, etc.) made to raise new plants vineyards and orchards until they reach full yielding potential young vineyards or orchards not yet fruit bearing, the replacement cost for any investment made for raising a replacement vineyard or orchard, including the value of time needed to reproduce replacement vineyards or orchards and compensation for lost yields for each year from the year of expropriation. Nursery the replacement cost for any investment made on planting material not utilized ( See Annexure III).

### **3.4. Structures and property in the zone of Pirot East – Dimitrovgrad along the Highway E 80**

The land that has been acquired in the zone of Highway E 80 for construction of the Section Pirot East – Dimitrovgrad is identified through the Main Design for this section and the Elaborates on Expropriation. There are no inhabited settlements along the route. But there are several locations where the highway alignment is close enough to settlements to affect entire households. No residential structures are identified as being potentially subject to physical relocation.

### **3.5. Additional Support**

Among households which possess property within the corridor route, no vulnerable households were identified. During the negotiation process on the amount and form of compensation for the expropriated land, no household requested any other form of support such as social support or support in purchasing new land, croft arrangements etc. The only requested form of compensation was the financial equivalent while none of the owners affected by the planned project exercised their right to or demanded a benefit in terms of higher compensation amount as provided by *Anexure III – Entitlement Matrix of the Resettlement Policy Framework for Corridor 10*).

## CHAPTER IV – SOCIAL IMPACT ASSESMENT

### 4.1. Social Impact Assessment

The provisions of RPF require that the implementing agency carry out a Social Impact Assessment (SIA) for project area to identify the social impacts associated with the project and also collect the baseline socio-economic characteristics of the project affected households which will become the basis for assessing whether the project has realized the resettlement objectives of improving or regaining the pre-project living standards among the PAPs.

The SIA is normally expected to be carried out as soon as the project outline is finalized and PAPs are identified. This assessment has been performed on this section although such surveys are not usually carried out under the Serbian law. Legal regulations in Serbia do not envisage an obligation for the project ordered or contractor to carry out an evaluation of effects of the planned activities on the social development of the community, especially on the populace and households which are directly or indirectly affected by these activities. SIA analyses have not yet been applied in infrastructure and other plans and development projects in Serbia. Valid laws in the area of planning, construction and expropriation do not oblige or envisage the carrying out of an SIA, regardless of the number of households or residents which are located in the area which is the subject of the plan or which will be directly affected by the planned activities. In another document, which just recently became a required part of infrastructure project preparations (Environmental Impact Assessment), elements of social development are only marginally included and encompass a modest number of indicators of socio-economic characteristics of the population in the planned area.

The socio-economic survey of PAPs whose estates are to be expropriated for the purpose of construction of the Corridor 10 route in the municipalities of Pirot and Dimitrovgrad – were carried out during **August and September 2011**. The surveying of households was carried out during informing and pronouncing of owners of the real estate subject to expropriation on their rights and expropriation modalities. The survey was carried out on the basis of a questionnaire, pursuant to provisions of the Framework Resettlement Plan, in compliance with mayor impact and minor impact criteria. The original survey included 55 citizens. Almost all surveyed citizens have said that they still have agricultural land in their possession, except one who stated that he does not own any agricultural land any more as a result of expropriation.

### 4.2. Methodology followed for Social Impact Assessment

Polling was conducted in affected cadaster municipalities within Pirot and Dimitrovgrad. Citizens were offered the option of having the polling personnel come to their homes and conduct the polling there. In the introduction section of the questionnaire it is stated that the Poll Questionnaire is a part of the activities in collecting data of importance for the evaluation of effects that the construction of the Section Pirot East - Dimitrovgrad will have on the social development of the area especially on the population and households that are directly or indirectly affected by construction and use of this road. Data collected through this questionnaire will be used exclusively for needs of the elaboration of the impact study and may not be used for any other needs.

### 4.3. Socio-economic status of Pirot and Dimitrovgrad Municipalities

The municipality of Dimitrovgrad is one of the less economically developed municipalities in Serbia with negative population growth. It is estimated that it belongs to the group of municipalities which level of development is in the range of 60-80% of national average. The estimated number of residents in 2011 is 10,118. The average population age is 46.5, which is above average for Serbia (42.2) which is the country with one of the oldest populations in Europe. The aging index in the municipality (the ratio of the number of individuals who are 60 years of age and older and the number of those up to 19 years of age) is 197.4 (significantly above national average -124.6). The share of citizens older than 65 is 23.81% which is again considerably higher than the national average (16.26%). The total share of the working population (15-64 years of age) is 6,568 while the one of school-age (15-19 years) is 508.

On the other hand, Pirot belongs to the higher developed regions of Serbia with the level of development in the range of 80-100% of national average. The estimated number of citizens is 57,928. The average population age is 44.2 with the aging index of 156 which are lower than in Municipality Dimitrovgrad, but slightly higher than the national averages. There is 20.10% people older than 65 years, while the number of working population is 39,019 with 3,158 of citizens being of school-age.

Available data for the Municipality Dimitrovgrad indicates an average level of unemployment and a below-average income level compared to the national average in Serbia. According to data for 2011, the number of employed per every 1,000 residents in the municipality is 238 while the number of registered unemployed individuals is 116 per 1,000 residents. The average income for employed individuals in Serbia in 2011 is 37,976.00 RSD and in the municipality of Dimitrovgrad is 27,037.00 RSD. In Municipality Pirot, the average salary is 32,280.00 RSD which further indicates its higher economic development comparing to Dimitrovgrad Municipality.

From 10,118 residents in the municipality Dimitrovgrad, around one third claim a pension (3,194 or 31.6%). Retirement pensions make up for approximately 63%, while disability and inherited pensions make up for 37%. In Pirot Municipality, 15,761 people are retired (27.2% of all residents).

The municipality of Dimitrovgrad has no urban-type settlements, apart from the municipality center which is the town of Dimitrovgrad with 6,278 citizens (Census 2011). In this undeveloped and poor municipality, poverty is especially significant in rural areas. In the villages in the municipality of Dimitrovgrad there is a significantly higher share of elderly and solitary households than the municipality average. The lack of access to basic education (likely closing of local four-grade schools due to a small number of pupils) is an important motive in the decision of households to move into the municipality center, or move to bigger cities such as Pirot or Nis. According to reports and previous surveys, the most common and largest problems of living in rural settlements in the municipalities such as Dimitrovgrad are: poor transit infrastructure, poor and unorganized water supply, low-quality and unavailable health care, poor connection to public transportation with the municipality center, and lack of sewer system infrastructure and telephone network.

On the other hand, Pirot area is more developed with better organized settlements with the city of Pirot being municipal center with 38,785 residents. The infrastructure within Pirot is well organized, with proper water supply, higher quality health care and educational institutions,

although the situation (level of development) in smaller settlements further from the municipal center is similar to the one in Dimitrovgrad municipality.

In summary, the municipality of Dimitrovgrad is less economically stable region with lower quality of life when compared to the national average and Pirot municipality. The high level of unemployment, low income, relatively large number of beneficiaries of various types of social welfare and large number of pensioners with small pensions make this municipality a region of multilevel deprivation. Poverty is also characteristic on the individual level (individuals and households) and on the level of the community collective consumption (spatial availability and quality of services of public interest, utilities infrastructure, transit infrastructure, frequency and quality of public transportation, etc.).

<b>Comparative overview of household data</b>	<b>The Republic of Serbia</b>	<b>The Municipality of Pirot</b>	<b>The Municipality of Dimitrovgrad</b>
Number of residents:			
2002 – Census	7,498,001	63,791	11,748
2011 – Census	7,186,862	57,928	10,118
Population growth	- 4.14%	-9.19%	-13.87%
Average population age	42.2	44.2	46,5
Aging index	124.6	156.1	197.4
Share of citizens aged 65 and older in the total population	16.26%	20.10%	23.81%
Average number of household members	2.88	2.85	2.54
Percentage of single-member households	22.33%	20.60%	25.76%
Percentage of two-member households	25.65%	28.15%	30.74%
Percentage of families without children	30.56%	36.23%	37.21%
Percentage of families with children under 25 years of age	74.4%	75.4%	71.3%

As it can be seen from the table below, the percentage of people without completed elementary school is above Serbian average in both of the affected municipalities. On the other hand, Dimitrovgrad municipality has significantly higher percentage of people with elementary education, when compared to both, Pirot and national average, but it stays behind when the secondary education is taken into account.

<b>Educational structure of population</b>	<b>The Republic of Serbia</b>	<b>The Municipality of Pirot</b>	<b>The Municipality of Dimitrovgrad</b>
- without school qualifications	2.68%	1.97%	1.92%
- uncompleted elementary school	11.00%	14.09%	14.52%
- elementary school	20.76%	22.71%	29.50%
- secondary education	48.93%	46.74%	39.87%
- higher education	5.65%	6.07%	7.13%

From the table blow it can be seen that the percentage of unemployed people is slightly lower in municipality Dimitrovgrad when compared to the Municipality Pirot but then again, the average salary in Dimitrovgrad municipality is significantly lower than the national and Pirot average

<b>Economic status</b>	<b>The Republic of Serbia</b>	<b>Municipality of Pirot</b>	<b>The Municipality of Dimitrovgrad</b>
Share of work productive population in total population	67.77%	67.36%	64.91%
Population by activity			
<b>Active:</b>			
perform occupation	32.07%	29.93%	26.65%
unemployed	9.28%	12.09%	11.61%
<b>Inactive:</b>			
children younger than 15 years	14.27%	12.54%	11.28%
pensioners	22.66%	27.21%	31.57%
Persons with income from property	0.45%	0.27%	0.35%
Pupils/students	7.89%	7.89%	6.86%
housewife	8.34%	7.00%	6.19%
other	5.06%	3.06%	5.49%
Employment			
total number of employed persons	1,743,795	14495	2291
the share of women	45.63%	/	/
number of employees in a thousand citizens	243	259	238
employees in business entities, institutions, cooperatives, organizations	75.66%	82.2%	77.08%
private entrepreneurs, self-employed persons, and registered farmers	24.34%	17.75%	22.92%
Unemployment			
- per 1,000 citizens	93	121	116
- looking for job for the first time	36.16%	39.99%	34.64%
- unqualified	34.44%	38/77%	45.93%
- unemployment of women	45.03	45.92%	42.04%
Average salary (2011)	37,976.00 RSD (about 386 EUR)	32,280.00 RSD (about 328 EUR)	27,037.00 RSD (about 275 EUR)
Below absolute poverty threshold (less than 111 EUR a month)	8%	No info	No info
Below relative poverty threshold	14.3%	No info	No info
Number of citizens per 1 physician	343	300	482
Number of citizens using social welfare	1.98%	2.79%	3.70%

#### 4.4. Demographic characteristics

Vast majority of surveyed citizens were older than 60 (58.1%), which was expected having in mind that they are land owners. The share of men who are owners of expropriated land is much larger than of women although the exact split isn't obvious from the survey - the ratio of male and female participants in the survey is 80.0% and 20.0% respectively, however not all female interviewees were owners of the property but were representing the household in absence of the owners. This gives a rather distinctive picture about the characteristics of the households and the entire municipal area. The survey showed that the majority of the communities are men up to the

age of 60 years. This could lead to the conclusion that the households have a high number of elderly people.

Years	No.	in %
Up to 60 years of age	19	34.5
61 – 70 years of age	18	32.7
Over 70 years of age	14	25.4
No answer	4	7.3
<b>Total</b>	<b>55</b>	<b>100.0</b>

Gender	No.	in %
Male	44	80.0%
Female	11	20.0%
<b>Total</b>	<b>55</b>	<b>100.0</b>

### Permanent residence

Only 3.6% of surveyed owners do not have permanent residence within the municipalities Pirot and Dimitrovgrad, while the rest of the owners mostly live in smaller settlements in proximity of Pirot and Dimitrovgrad.

Permanent residence of surveyed households' members	No.	in %
Obrenovac	12	21.8
Ciniglavci	11	20.0
Mali Jovanovac	7	12.7
Poljska Rzana	4	7.3
Veliko Selo	4	7.3
Zeljusa	4	7.3
Trnjana	3	5.5
Veliki Jovanovac	3	5.5
Gojin Dol	2	3.6
Sukovo	2	3.6
Pirot	1	1.8
Outside the Municipality Pirot and Dimitrovgrad (Belgrade)	2	3.6
<b>Total</b>	<b>55</b>	<b>100.0</b>

The data collected show no or low economic development, causing low social, health and educational conditions which lead to significant migration of population.

### Main characteristics of households

Almost half of surveyed households (47.3%) are either single households (10.9%) or married couples without children (36.4%), whether they don't have children at all, or they are grown up and established households of their own. A small number of grown up children that have moved from their parents households do not live in the same town or village as their parents. Most of them are living in Pirot or in other towns in Serbia. Some of them live abroad. Nuclear families (a married couple with one or more children) account for 16.4% of households, while other households (36.4%) consist of three-generation families or families comprising two adult generations.

<b>Household structure</b>	<b>No.</b>	<b>in %</b>
Single-member	6	10.9
Married couples without children	20	36.4
Married couples with children	9	16.4
Three generations or two adult generations	20	36.4
<b>Total</b>	<b>55</b>	<b>100</b>

**Old age households** (without members younger than 65) account for 30.9% of households, comprising 9.1% of single old age households and 21.8% of two-member old age households.

<b>Old age households</b>	<b>No.</b>	<b>in %</b>
Old age households	17	30.9% of the total number of households
Of which:		
Single-member	5	9.1%
Two-member old age households	12	21.8%

The average number of household members is 3.4. Two-member households are most frequent (36.4%), and they are followed by four-member households (18.2%), six-member (12.7%) and single households (10.9%) while five-member households are presented in a survey with 9.1%. Three, seven and eight- member households take share of with 7.3%, 3.6%, and 1.8% respectively.

<b>Household size</b>	<b>No.</b>	<b>in %</b>
Average household size	3.4 members	
Single	6	10.9
Two-member	20	36.4
Three-member	4	7.3
Four-member	10	18.2
Five-member	5	9.1
Six-member	7	12.7
Seven-member	2	3.6
Eight-member	1	1.8
<b>Total</b>	<b>55</b>	<b>100</b>

It is common in rural areas that young members of families due to social and economic uncertainties tend to stay as long as possible with their parents who provide living conditions that they are unable to provide for on their own.

### **Employment status**

According to their employment status, most of surveyed citizens are pensioners (58.2%). Eighteen surveyed citizens are employed (professionals, skilled workers and workers account for 32.7%), 4 are unemployed (7.3%), while one interviewee is farmer (1.8%). From conversation with the participants in the survey, we found out that work within the black market is quite common.

<b>Employment status of surveyed citizens</b>	<b>No.</b>	<b>in %</b>
Pensioner	32	58.2
Professional	5	9.1
Skilled worker	8	14.5
Worker	5	9.1
Unemployed	4	7.3
Farmer	1	1.8

<b>Total</b>	<b>55</b>	<b>100.0</b>
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### **Vulnerability of households**

When asked “whether there are disabled persons, members with chronic diseases or those incapable of living on their own in the household”, 7.3% of surveyed citizens answered affirmatively, while 92.7% said that the household did not include such members. One surveyed (1.8%) citizens mentioned that in their households there are members with chronic diseases (high blood pressure, heart problems, rheumatism and so on), while three mentioned that there is a member with disability (5.5%) among which one household have dependent members who need constant care and observation.

<b>Dependent household members</b>	No.	in %
Without dependent members	51	92.7
With dependent members	4	7.3
<b>Total</b>	<b>55</b>	<b>100.0</b>
<b>In the category of dependent members:</b>		
Required care and constant surveillance	1	1.8
Disability, with preserved ability of moving and weaker working ability	2	3.6
Chronic diseases	1	1.8

### **Estimation of the economic status of households**

None of the participants in the survey assessed the economic status of their household as above-average. Thirteen people estimated their household’s income to be average (23.6%), 26 as modest (47.3%) while 25.5% see their household as poor. Two participants (3.6%) did not provide an answer to this question.

#### **4.5. Loss of land, structures and businesses**

The percentage of expropriated land in relation to the ownership which a polled household possesses in the municipalities of Pirot and Dimitrovgrad varies from household to household. Around half of interviewed owners (%) had up to 10% of their land expropriated, while only one of the interviewed had the entire surface of agricultural land expropriated (1.8%). One person (1.8%) said that he does not own land anymore but not due to expropriation, but because he doesn’t practice agriculture and he decided to give the rest of his land to his children. Other person (1.8%) said that after expropriation she was left with only a house yard. This owner also stated that since she does not practice agriculture, there was no negative impact of the expropriation to her household’s economy. One PAP did not specify how much land he still possess (1.8%). Nine persons (16.36%) had between 10% and 20% of their land expropriated while 15 participants (27.3%) had up to half of their entire land expropriated with only one participant having more than 50% of his land acquired, more precisely 89.9%. The usage of the expropriated agricultural land varied (gardens, meadows, fields, orchards, vineyards, forest).

For a majority of the polled households, the expropriated land did not represent the basic source of income since they either do not practice agriculture or they still have large surface of arable land in their possession. As already emphasized, one household had all of the arable land expropriated, however, since this PAP lives in Pirot and the land expropriated was the inherited one which she never cultivated, no negative impact from expropriation is expected. None of the

expropriated households relied on agriculture as a sole source of income. However, 27.3% of all PAPs stated that expropriation had negative impact on their household's income since the land acquired was either the most fertile land or parcel easiest to reach i.e. cultivate. Some were also saying that now they have difficulties accessing the remaining part of their parcels and others thought that compensation received was not appropriate. The owner who had 89.9% of his land expropriated stated that the expropriation had negative effect on his household's income since he practiced subsistence agriculture on the acquired land and now he is left with insufficient surface of farmland. Nonetheless, he also stated that he hadn't accepted the compensation in kind but did not elaborate the reasons why. On the other hand, 45.4% of interviewees said that the expropriation of land had positive effect on their economic status because they plan to invest the money received in something worthwhile. The rest of interviewees (27.3%) stated that the expropriation did not have significant influence on the economic status of their household.

From all the interviewed, 70.9% said that they practice subsistence agriculture which adds up to an overall household's income since they do not have to buy food, while 21.8% stated they have no income from agriculture whatsoever. It is a common opinion of PAPs that it is very difficult to earn from agricultural activities since they request high investments costs, take time and their productivity depends on weather conditions. Nonetheless, few stated they manage to earn from agriculture and the estimation of their annual profit goes from EUR 1,200 for two households, to around 10,000 for one household which is professionally engaged in agriculture. One owner said he manages to sell around 4 pigs a year, but did not specify how much he earns that way.

When structures are in question, only 7 households had auxiliary structures expropriated (fences, water or irrigation pipes, wells), while none of the interviewed PAPs had residential house or private business expropriated. One PAP had his vacation house acquired.

When asked why the households preferred monetary compensation instead of compensation in kind for their land and assets, participant listed old age, sickness, general inability of household members to be involved in agriculture and the need for money to support unemployed children as main reasons that support their decision.

#### **4.6. Income and occupation**

The most frequent and most secure source of household monthly income are pensions. Pensions as the only source of income support for almost half (43.7%) of surveyed households. Permanent or occasional employment is a sole source of income for 21.8% households. One household combine private businesses and leasing land as a source of income (1.8%), 25.4% households have income from pensions and permanent or occasional jobs, one solely depend on unemployment assistance (1.8%), one have no income whatsoever (1.8%) while two participants receive pensions and social support (3.6%).

#### **Income per household member**

When the income declared by surveyed citizens is calculated into income per household member, following values could be obtained. Four PAPs stated they have less than RSD<sup>1</sup> 5,000 per household member (7.3%), while 3.6% of households have income between 5,000 to 8,800 Serbian dinars. This shows that 10.9% of surveyed households live below the poverty line measured by

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<sup>1</sup> Serbian dinar

income per family member (less than 8,800 RSD per household member), determined in the Republic of Serbia in 2009.7.3% of households face the risk of poverty as they are slightly above the threshold, with income ranging from 8,900 to 10,000 dinars per member. 34.5% of households have monthly income per household member between 10,001 and 20,000 dinars while 25.5% household records monthly income per member higher than 20,000 dinars.

<b>Income per household member</b>	<b>No.</b>	<b>in %</b>
Up to 5,000.00 dinars	4	7.3
5,000.00 - 8,800.00 dinars	2	3.6
8,900.00 -10,000.00 dinars	4	7.3
10,100.00 -20,000.00 dinars	19	34.5
Over 20,000.00 dinars	14	25.5
Without answer	12	21.8
<b>Total</b>	<b>55</b>	<b>100</b>

### **Income from practicing agriculture**

Majority of the surveyed citizens are engaged in agriculture and most of them practice subsistence agriculture to fulfil their own needs. Agricultural activity is mostly reduced to orchards, vineyards and gardens for growing fruits and vegetables for family needs, or some grain as feed for the animals. During interviews the Consultant was informed that it was difficult to find workers interested in agricultural works, even with the large percentage of unemployed citizens. The mostly stated reasons for small earnings from agriculture were low selling prices compared to investment costs, small area of land parcels and low yield.

<b>Dealing with agriculture</b>	<b>No.</b>	<b>in %</b>
Household member(s) engaged in agriculture	43	78.2
No-one in the household practice agriculture	12	21.8
<b>Total</b>	<b>55</b>	<b>100.0</b>

The total income from agriculture is difficult to estimate. Such assessment is generally hard to perform, especially when it comes to gardens and modest production for one's own needs and not for sale. However, 4 PAPs (7.3% of all surveyed) did mention they manage to sell some of the products and support the family income that way. Table below lists the data on average yields from agricultural production at the level of the Republic and municipalities of Pirot and Dimitrovgrad that can be used as an orientation indicator. The table shows that, while wheat gives similar yield, the yield of corn in affected municipalities is almost half of the national average. This could indicate lower quality of land and reasons why households in this region rarely rely on agriculture production as a main source of income. Interestingly, Pirot area has much higher yield of fruit than national average and Dimitrovgrad region which explains frequency of orchard in private property among interviewed households.

	<b>The Republic of Serbia</b>	<b>The Municipality of Pirot</b>	<b>The Municipality of Dimitrovgrad</b>
<b>Surface of land under the agricultural land</b>	5096267 ha	42682 ha	16195 ha
<b>The average yield of family estates</b>			

- wheat	3943 kg/ha	3470 kg/ha	3343kg/ha
- corn	4948 kg/ha	2818 kg/ha	2977 kg/ha
<b>Fruit and vegetable production</b>			
<b>Yield per tree in kg:</b>			
- apples	16.6 kg	21.4 kg	4.2 kg
- plums	14.3 kg	24.6 kg	9.8 kg
<b>Yield of vineyards per vine in kg</b>	1.2 kg	0.6 kg	0.3 kg

*Source: Republic Bureau for Statistics, Census 2011*

During the interviews it was clear that agriculture is seen as a necessity in the absence of other alternatives. In the analysis it should be underlined that only four households showed interest in purchasing new agricultural land and/or machines with the money obtained from expropriated property. For most households, dealing with agriculture is obviously an involuntary solution, part of the surviving strategy and not a long-term development strategy. Most of the younger population have no interest in agriculture and stream to find employment and move to bigger settlements. For others agriculture is not perceived as an option for basic economic activity since it was shown to be economically unviable, or they are becoming too ill or old to perform such activities.

#### **4.7. Expenditure pattern**

Within the spending structure of the households, it is expected that the largest portion of monthly income will be spent on food. In the poorest households, expenses for food make up more than 60% of a total income. Considering that all of those polled live in houses/apartments which they own, expenses for housing encompass payment of utility services (water, electricity, heating). Among the other most common and highest stated expenses are for medicines, which in a few households take up more than one fourth of the total monthly income.

#### **4.8. Indebtedness**

Out of all interviewed, nine PAPs (16.4%) stated they have some kind of bank loan, six (10.9%) did not answer this question while the rest (72.7%) have no debts or loans of any kind.

#### **4.9. Household assets**

The economic situation of the households can also be measured through ownership of household assets. Thirty – one percent of surveyed household have a car, but most of them are second hand (usually more than 10 years old). 61.8% of interviewed have some kind of agricultural machinery, among which many have tractors (old ones). All households are furnished with at least basic appliances (fridge, washing machines, TVs, etc.) but many PAPs stated their house devices are old. Two participants stated that when assets are in question, their household possess a bare minimum. The rest did not provide an answer to this question.

27.3% of those polled plan to invest a portion of the funds acquired from expropriation in the construction of new houses or improvement of living conditions in their current houses.

#### **4.10. Ways of spending expropriation compensation**

In response to this question, those polled were able to state several means of spending money received from expropriation of their property. Nine of participants (9.1%) stated that they plan to use the money for everyday expenses and/or put the money received on a savings account and. 27.3% of PAPs want to invest the money in upgrading their living conditions, either by buying

new house or flat, or investing in the residential building they already own. Twenty percent (11) of polled persons stated they are planning to give the money to their children and grandchildren (for education, to help them to settle with their new families, etc. while one person pays the alimony). Twelve (21.8%) plan to invest the money in agricultural production either by buying new machines or additional land, two (3.6%) plan to buy used cars, while ten (18.2%) have no plans yet.

#### **4.11. Self-perception of socio-economic position**

None of the participants in the survey assessed the economic status of their household as above-average. Thirteen people estimated their household's income to be average (23.6%), 26 as modest (47.3%) while 14 (25.5%) see their household as poor. Two PAPs (3.6%) did not provide an answer to this question.

#### **4.12. Interest in training and certification programs**

No one of the polled citizens were interested in any form of additional training and acquiring new knowledge, whether for themselves or for members of their households.

#### **4.13. Summary assessment of overall living conditions of PAPs within the municipality**

The subject of expropriation is mostly agricultural land, however, auxiliary structures (pipes, wells, fences, cottage, etc.) were also affected. Moreover, six (10.9%) vacation houses were expropriated while no residential structures nor private business facilities are identified as being potentially subject of expropriation. A few owners announced that they were considering whether to request compensation in kind for expropriated land. As a specific problem they underlined that it was not yet known what the expropriation price of agricultural land will be.

Pensions are the main and most frequent permanent source of income. Pensioners are at the same time the only citizens dealing with agriculture.

The unemployment rate is significant. Not many PAPs have permanent employment (and those who do mostly work in public services). People usually have occasional, unregistered jobs, without contracts and paid contributions for health insurance and pensions.

Agricultural production is most commonly used for the needs of households. There is no market for agricultural products and people usually do not produce for sale. Due to the relatively low quality of agricultural land, agricultural production for the market is not profitable. Production costs are high and placement is uncertain. Nonetheless, several PAPs mentioned that they manage to earn certain amount of money through agricultural activities which provides a support to an overall income of a household.

The poor quality of agricultural land in the area characterized by difficult natural conditions is frequently mentioned as a reason for a lack of interest in agricultural production. There is no selling price of agricultural land. There are no examples showing that someone has bought a parcel of agricultural land in recent past. Only five of the surveyed PAPs have expressed intentions to invest the money obtained from expropriation in purchase of new agricultural land. The young generations are not interested in agricultural activities.

Most of the interviewed PAPs have permanent residence within municipalities Pirot and Dimitrovgrad, but many live in the towns themselves and are not interested in maintaining

ownership of agricultural land, in spite of the fact that a large number of grownup children and their spouses are unemployed.

In municipality Dimitrovgrad, the local authorities are economically weak and have no resources for investments in infrastructure or stimulations for setting up business. And even though the municipal center has well established educational facilities, healthcare, water supply network which enables citizens to normally function within the city, the poverty in smaller settlements of the municipality where households with elderly generations prevail is evident. Although the intercity transport is organized which makes commuting from villages to the city easier, lack of proper infrastructure in these settlement makes life difficult. There are no mobile medical services or other forms of social assistance to old and ill persons in their houses. No information were available to prove that there are active civil society associations within the Municipality to cope with economic, social and cultural needs and rights of citizens.

The situation in Pirot area is slightly different. As it belongs to more developed municipality which has functioning system to promote economic development of the city and solve citizen's grievances, the overall quality of life of its residents is higher when compared to Dimitrovgrad municipality. However, the rural settlements within the Municipality are facing similar challenges as the ones in Dimitrovgrad municipality since the citizens are old with smaller income, less available healthcare facilities and poorly developed local infrastructure.

Although the depth of poverty is obvious, there are no organized soup-kitchens or information regarding potential number of its users. The Center of Social Services as a subsidiary of the authorized Republic Ministry provides for monthly financial assistance pursuant to the criteria determined at the national level.

The PAPs also provided their own opinion on the reason for poor development of small sized enterprises in the private sector and they are the following:

- there is no security for investments – placement of products, establishing connections with other producers and players who could provide for placement of products, introduction of innovations, and so on;
- bad local infrastructure;
- there are no guarantees that in case that a private owner invests in the infrastructure it will be used and maintained in a proper way;
- bad educational structure and unqualified labor force. There are very few citizens with higher or high education, or highly qualified workers.

#### **4.14. Assessment of affected vulnerable households and proposed additional assistance**

As it can be seen from the above mentioned and available data on the scope of poverty and level of development in the municipalities Pirot and Dimitrovgrad, the households which are affected by expropriation, when it comes to risk of vulnerability, do not stand out from other categories of poor and deprived households in these municipality. There are no sufficient arguments to single out the poorest or most vulnerable within the group of households affected by expropriation being that around 3% of residents in Pirot and 4% of residents in Dimitrovgrad municipality fall into the category of those who accept some form of social welfare, meaning those who are below or near the poverty line. Support for those households is institutionally defined through the criteria of social welfare. Along with that, one must keep in mind that the households

affected by expropriation, even the most vulnerable, are receiving significant material support through the process of expropriation of agricultural land and other assets. The compared data shows that in a large number of cases the price obtained from expropriation was higher than the average annual income from agriculture. In assessing the impact of expropriation of land and building structures on PAPs it is important to understand that the process of expropriation enables them to get amount of money for their property which is significantly higher than its market value. In other words, PAPs get a chance to purchase more and better quality of land or structures for that money.

The Beneficiary of Expropriation fulfilled all the obligations given both through national legislative as well as the RPF. The compensation rate has proven to be the prevailing price as given by the Tax Administration Office.

The primal premise that the PAP cannot be worse after the land acquisition is completed has been respected fully. Therefore there are no sufficient arguments for individual support.

It is suggested that in accordance with the good practice of socially responsible companies, effort should be made to improve the living standards of PAPs. In cooperation with the representatives of the local municipalities and the Social Welfare Center and after additional consultation with the citizens and PAPs some of the following programs could be developed:

Proposed:

- Organizing and financing public kitchens (the least of such are present in Southeast Serbia although it happens to be one of the poorest region);
- Vehicle acquisition for medical teams who will provide door to door medical attention on a weekly basis and address emergency cases more frequently for those PAPs that are old, live alone, have chorionic illnesses and live in rural settlements with no means of transportation;
- Organizing hot meals for children in the elementary schools within the municipality.

#### **4.15. Positive effects of construction of Section Pirot East – Dimitrovgrad**

Despite the fact that the process of expropriation led to a loss of a certain amount of agricultural land for the households whose property was located within the route of the bypass, monetary compensation has generally strengthened the economic situation of the households. On one hand, the households acquired money through the transfer of land which in regular trade would go for a much lower price due to the fact that in this part of Serbia there is still no desire for agricultural land and agricultural land is not considered a significant economic resource. On the other hand, the money which was received will allow the households to improve their general quality of life (construction of or additions to residential structures) and to potentially use the money as an investment in strengthening the individual resources of the household members (education, certification, purchasing agricultural machinery, starting up a business, etc.).

Section construction will enable the relocation of the transit traffic from the existing regional road to the new highway. This way spatial and functional integration of local settlements with the cities of Pirot and Dimitrovgrad and the regional administrative center (the city of Nis) and Bulgarian border will be provided. Moreover, the social, health, educational, cultural and other services organized in these cities will become more available to the citizens of smaller settlements affected by this section. Redirection of transit traffic will provide a higher level of safety for children attending local schools and improve general road safety of the area.

Finally some economic development is expected in the area during the constructions works as a result of workers influx to the community. Indirect benefits are expected for the local real-

estate market, service providers (hotel, restaurant, catering) as well as local employment on the construction.

#### **4.16. Consultations and Community Participation**

In accordance with the regulations and practices of planning in Serbia, consultation and cooperation with the local population was carried out within the framework of the EIA (Environmental Impact Assessment) study, which in Serbia was adopted as a mandatory phase in the drafting of project documentation for infrastructure projects. The national EIA procedure with respect to the E 80 section started on November 02, 2005, when PERS (former Serbian Road Directorate) submitted the Request to the Ministry for Environmental Protection (MOE) in order to obtain the document determining the scope and content of EIA Study. According to the Serbian Law on EIA (Official Gazette of RS, No. 135/04), this step was announced in the daily newspaper "Politika" (December 07, 2005), and interested parties were invited to participate in the process of defining the scope and content of the EIA Study. On January 09, 2006, the Ministry provided the Terms of Reference and that information was made public in the daily newspaper "Politika" (January 29, 2006). The Highway Institute of Belgrade prepared the draft EIA Study, which was submitted to the MOE for its approval. At the same time, PERS announced this step in the daily newspaper "Politika" (August 28, 2008), when public and other interested parties and organizations were invited to participate in a process of public consultation on the **draft EIA Study for the E 80 Highway Project, section Pirot East - Dimitrovgrad. Public Consultation was held in Nis, on May 20, 2008, and there were no major complaints on the prepared draft EIA Study. The EIA Study was subsequently approved by the MOE on December 05, 2008. This approval was announced in the daily newspaper "Politika" in December 2008.**

In December 2008, in accordance with OP/BP 4.01 the Borrower contracted an independent consultant to prepare a Corridor Level EIA (CLEIA) for the E 80 Highway from Nis to Dimitrovgrad. Besides consolidating the already existing sub-section EIAs, the CLEIA also addressed the cumulative, induced, indirect and trans-boundary impacts. The in-country disclosure of the draft CLEIA was carried out in the period from February 25 (when the document was made publicly available on site and on the PERS website) to March 11, when the public meetings were held in **Dimitrovgrad**. Public announcements in Serbian and English were published in the daily newspaper "Politika", on February 25, 2009, inviting the public, authorities and relevant institutions to have an insight into the draft CLEIA. Representatives of the local self-government informed the public through local media of the time and place of public consultations.

The in-country disclosure of the draft EMP began on August 01, 2009, when public consultations were announced in the daily newspaper "Politika". A public announcement invited the public, authorities and relevant institutions to have an insight into the EMP for the Project. Prior to announcement in the newspapers, the EMP was **delivered to Dimitrovgrad and Pirot** and made publicly available on site, and also placed on the PERS's and K10DOO's websites. Representatives of the local self-government informed the public through local media (Radio – Television "Caribrod") of the time and place of public consultations. Information about public consultation was repeated twice a day, starting from Tuesday, August 04, ending on Thursday, August 06.

The EMP was presented in detail to the interested attendees by the K10DOO representatives. Questions and comments during the public discussion mainly referred to the concept of environmental protection, prevention of accidents during construction of the bypass,

storage of construction material, re-cultivation of the land after removal of waste materials, etc. Along with informing the residents and consultation related to the EIT, special consultations were conducted with residents regarding the issues related to expropriation of property and the models of compensation.

This was done in several procedures:

- Following preparation of the expropriation elaboration for each household, meaning for each Project Affected Person, which contains the area of land envisaged for expropriation, the justification of the need for the specific expropriation is presented, together with the confirmation that the scheme is included in the relevant regional and/or spatial plan. During the meeting, the municipality informs the project affected persons about the project, presents them with all the information about the level of impact on their property with maps, their entitlement based on this RPF (a copy of the entitlement matrix and the RPF will be given to the project affected persons at the first meeting) and the steps which will be taken afterward, provides them with legal advice and informs them about their rights, including the role of the independent grievance commission. In this meeting, there is no discussion of the comparability of the agricultural land or the concept of fair value. It is only a consultative meeting, informing the project affected persons and providing them with their entitlements and rights.
- Public participation was undertaken to make explicit the social factors that will affect the development impact of planned highway improvements and mediate project results. Through public participation, key social issues were identified and strategy was formulated.
- Consultations were held at local (community) level. The objectives of local level consultations were to inform the PAPs about the project, to know their perception on the project in terms of both negative and positive impacts to mitigate measures as suggested to them.

Ministry of Spatial Planning and Environmental Protection upon the reception of proof of all necessary steps being taken issued the environmental approval 353-02-564/2008-02 in June 10, 2009.

#### **4.17. Summary of key findings of consultation**

At the public consultations, the basic interest of the residents was directed towards comments regarding the amount of compensation for expropriated property. A small number of residents showed interest in receiving new agricultural land in exchange for that which was expropriated. The residents requested for the new parcels to be in direct proximity of the cities of Pirot and Dimitrovgrad, which was a request that the Beneficiary of Expropriation could not fulfill. The offered parcels of agricultural land were located at distances between 15 and 20 km from those cities. The reason for requesting land close to the municipalities' centers is due to minimizing transportation routes but also its potential for being converted into development land, meaning using it for construction of residential and other structures and not for agricultural production. The owners of structures also did not request that the Beneficiary of Expropriation build them corresponding (equivalent) structures, but rather preferred monetary compensation.

##### **(a) Perceived impact and levels of consultation.**

The fundamental and basically only theme of negotiations with the PAPs was the amount of monetary compensation for expropriated agricultural land. Sometimes the negotiations

would turn into extortion of the Beneficiary of Expropriation, when at public gatherings they would seek significantly higher amounts than the estimated market values of real estate, and then a day after that gathering the individual would sign an Agreement for Compensation.

**(b) Mitigation through realignment and design cross section.**

Typical design cross section adopted.

**(c) Mitigation through safety measures and traffic management. Magnitude of impact on community properties, if any.**

Settlement owned properties and government owned properties (state, local self-government) are not located within the route of the Section Pirot East - Dimitrovgrad

**(d) Approach to consultations during implementation**

During implementation there will be several modes of consultation:

- Direct mode will be conducted through resettlement sessions at which there will be collected opinions regarding the expropriation;
- - Indirect Mode, PAPs can provide the complaints, opinions and recommendations regarding the resettlement to the monitoring body.

## **CHAPTER V – IMPLEMENTATION ARRANGEMENTS**

### **5.1. Institutional Arrangements**

#### **Roles and responsibilities of different institutions**

Institutions involved in the resettlement process are PERS, as the Beneficiary of Expropriation, Koridor 10 d.o.o. as the implementing agency, Municipalities of Pirot and Dimitrovgrad as administrative institutions through which the expropriation is being completed, Ministry of Finance, Ministry of Agriculture, Ministry for Spatial Planning and Environmental Protection, Land Cadaster Office, Tax Administration Office, the Government. The Beneficiary of Expropriation (PERS) is determined to be beneficiary according to the Law on Expropriation. It submits proposals to the Municipalities.

#### **Implementing Agency Koridor 10 d.o.o.**

- To organize all the participants to minimize the magnitude of impact from resettlement and conduct census survey, to keep data and to train resettlement personnel who use the data.
- To make application to relevant authorities for permission of land use plan and permission of land use for construction.
- To formulate various policies on Resettlement Action Plan.
- To train the resettlement personnel of municipalities and other organizations involved in the resettlement process.
- To train the resettlement personnel of prefecture (city) and county.
- To coordinate the project construction and implementation schedule.
- To coordinate signing of resettlement agreement with land administration departments and county (city/district) governments
- To supervise the disbursement of funds.

#### **Public Enterprise Roads of Serbia**

- Submits expropriation proposals.
- Provides budget for expropriation through the business plan.

#### **Local Municipality**

The role of the Municipalities of Pirot and Dimitrovgrad is to handle all expropriation proposals submitted by the Beneficiary of Expropriation. Its authority also lies in handling the compensation process.

#### **Ministry of Finance**

The role of the Ministry is to propose to the Government for the Scheme to obtain Public interest. It is also deciding on the Appeals in second level related with expropriation and property real rights.

#### **Tax Administration Office**

Its role is to determine the market value of the land being expropriated

#### **Ministry of Agriculture**

Its role is to submit to the PERS information regarding available agricultural land that can be offered as compensation according to the lines of 15. of Law on Expropriation.

### **Cadaster Office**

Registers all changes on the land affected by the expropriation.

### **Ministry Spatial Planning and Environmental Protection**

It issues building permits.

### **Implementation support from Koridor 10 and the Center for Social Works**

The Centre of Social Works, as a specialized center which covers the entire Republic of Serbia, is a resource for all data collected in reference to all the social issues.

### **Role of Monitoring & Evaluation Consultants**

The construction consultant will have a social safeguard specialist on their team whose responsibilities are to ascertain any temporary impacts related to land requirements of safety purposes and ensure that they receive support in line with the RPF and this will reflect in the progress report.

The role of the consultant is to monitor and report on the effectiveness of RAP implementation, including the psychical progress of resettlement and rehabilitation activities, the disbursement compensation, the effectiveness of public consultation and participation activities. The TOR for M&E Consultants is shown in ANNEXURE IV.

This RAP will provide a coherent monitoring plan that identifies the organizational responsibilities, the methodology, and the schedule for monitoring and reporting. The three components of a monitoring plan should be performance monitoring, impact monitoring, and completion audit. The scope of the monitoring plan should be completion audit. The scope of the monitoring plan should be commensurate with the scale and complexity of the RAP.

## **5.2. Performance Monitoring**

Performance monitoring is an internal management function allowing the sponsor of the organizations responsible for resettlement to measure physical progress against milestones established in the RAP. Progress is usually reported against the milestones established in the RAP. Progress is usually reported against a schedule of required actions (typically displayed through such devices as bar charts, Gantt charts, or MS Project Tables).

Examples of performance milestones will include:

- Public meetings held;
- Census, assets inventories, assessments, and socio-economic studies completed;
- Grievance redress procedures in place and functioning;
- Compensation payments disbursed;
- Housing lots allocated;
- Housing and related infrastructure completed;
- Relocation of people completed;
- Income restoration and development activities initiated;
- Monitoring and evaluation reports submitted.

## **5.3. Impact Monitoring**

Impact monitoring gauges the effectiveness of the RAP and its implementation in meeting the needs of the affected population. Depending on the scale of resettlement, impact monitoring is conducted by the project's management (such as an internal Project Resettlement Unit) or an independent external agency. The purpose of impact monitoring is to provide the sponsor and/or

the agency responsible for RAP implementation with an assessment of the effects of resettlement, to verify internal performance monitoring, and to identify adjustments in the implementation of the RAP as required.

#### **5.4. Impact evaluation**

One year after expropriation has been completed and the assistance to PAPs has been paid the final impact evaluation will be conducted to assess whether PAPs have improved their living conditions compared to the baseline socio-economic status collected during the SIA.

During project implementation other means of impact evaluations will be applied.

Land acquisition and resettlement widely involve many aspects and relate excessively to benefit PAPs, thus during the implementation PAPs' complaints and grievances on the resettlement and compensation are inevitable to occur. In order to successfully solve the complaint and/or grievance, PERS has established an independent body according to the RPF, to proceed the grievances fairly and effectively, to ensure the smooth implementation of resettlement and land acquisition.

According to The Resettlement Policy Framework, Beneficiary of Expropriation shall establish an independent Grievance Commission, from representatives of the PERS, Implementing Agency Koridor 10, municipalities and representatives of PAPs.

The Grievance Commission (GC) was established by the General Director of PERS act. The main responsibility of the Grievance Commission is to transparently and practically collect and deal with all complaints or grievances fairly and effectively. The body assembles **7 members**. Three of them were elected from and amongst the PAPs, one was delegated by the Implementing entity Koridor 10 LLC, two were delegated from the beneficiary of expropriation PERS and **one** member was derived from the **local Municipalities**.

The mode of registering the grievances is as follows:

- a) The grievance can be registered orally or in writing with the local Municipality regardless to the stage of the expropriation. If it is an oral grievance, the grievance commission must record the complaint in writing and must respond to the grievance within 3 weeks. If the complaint is not understandable or has to be clarified in any way, the Grievance Commission can advise and give legal assistance to a PAP in order to articulate the grievance in the best interest of the PAP.
- b) The grievance can be registered through the minutes by the local municipality whilst discussing the proposed compensation.
- c) The grievance can be registered by mail and sent directly to either PERS or K10DOO.

The grievances that are registered may be basically categorized into the following types

- a) Grievances related to the entitlement framework and implementation, such as discrepancies related to structures and ownership; categorization of the structure and area occupied, claims related to ownership and occupancy status to the value of crops;
- b) Grievances related to the value of land and other immovable properties, such as the assessment of fair value determined by the Tax Administration Office weather the PAP is not satisfied with the value or with the parameter used; and
- c) Grievance related to the value of crops, fruit bearing plants, vineyards, orchards and nurseries

### **1.1.1. Procedure of Grievance Mechanism**

The typical procedures includes: appeal, receipt and verification, resolution through grievance redress committee meetings, intimation to the applicant on the outcome of the decision, public information and documentation.

### **1.1.2. Principles to treat Complaints**

The Grievance Commission at all level conducts a field survey on the PAP complaint and treats the complaints fairly and objectively according to national laws & regulation, principles and guidelines given through the RPF and the outcome will be sent to the complainant.

### **1.1.3. Record of complaint and appeal and Follow up Feedback**

During the implementation of RAP, Grievance Commission will record and manage the complaints and the results of treating the complaints. In order for complete records of treating the complaint there will be an electronic monitoring system through the archive system of the PERS and a table recording system as shown in Annexure.

## **5.5. Administering the Payment of Compensation and R&R Assistance**

The compensation rate for resettlement of Corridor X Highway Project will abide the following principles:

- All compensation rates relating to resettlement will be determined in accordance with relevant laws promulgated by the Republic of Serbia in special compliance with the WB's basic principles of operational policies (OP 4.12) on involuntary resettlement.
- Compensation funds will be acquired prior to the land or property acquisition.
- The ultimate purpose of compensation offered to displaced persons is to improve the standards of living of displaced persons or at least restore their living standards to the pre-displacement level.
- Compensation rates shall be determined by the Tax Administration Office.

## **5.6. Income Restoration Measures**

The basic objective of income restoration activities is that no project-affected person shall be worse off than before the project. Restoration of pre-project levels of income is an important part of rehabilitating individuals, households, and socio-economic and cultural systems in affected communities. Income restoration schemes will be designed so as to benefit the PAPs.

## **5.7. Dealing with temporary impacts/additional impacts during construction**

Additional impacts will be dealt with in the same manner as described in this document.

## 5.8. Database Management

A census Database will be created by the consultants. This database will be transferred to the implementing unit for up gradation and further use. The main purpose of the database and use will be to (i) track progress of R&R implementation (ii) for determining the entitlements to be paid; (iii) track pending entitlements and amounts; (iv) organizing outputs for periodical reports and other project requirements; and (v) establishing input formats. The Database consultants will be responsible for (i) modifying the input/output formats to the project requirements; (ii) providing training for field level staff; (iii) assisting PERS in finalizing the entitlements for each PAP; (vi) providing help indecision making at the PIU; (vii) monitoring and regulating the land acquisition, distribution of compensation and assistance, grievance redress and financial progress

## 5.9. Disclosures

This RAP will be publicly disclosed at the official website of Koridor 10 d.o.o. website of PERS and the websites of Municipalities Pirot and Dimitrovgrad. The salient features of RAP and the R&R policy will be translated in Serbian and disclosed.

## 5.10. Coordination with Civil Works and Certification

The resettlement program will be coordinated with the timing of construction works. The required coordination has contractual implications, and will be considered in procurement and bidding schedules, award of contracts, and release of cleared COI sections to project contractors. The project will provide adequate notification, counseling and assistance to affected people so that they are able to move or give up their assets without undue hardship before commencement of construction works. Under the provisions of the RPF the commencement of works will be allowed after the compensation has been paid in full or their grievance has been registered.

## 5.11. Budget and Costs

Basic cost of resettlement includes land compensation cost, compensation for standing crops, compensation for all affected categories given in the Table 1 Entitlement Matrix Of the RPF, indirect loss of households move, compensation for house relocation, compensation for immovable objects attached to the a land and other taxes.

All the funds made available through PERS are estimated and designated through the Law of the Budget from 2010. By which the necessary amount of needed funds are transferred to the PERS. The Government made those funds operable by passing the Law through the Parliament. The law of the Budget has been passed through the Parliament and disclosed at the Official Gazette of Republic of Serbia No 107/2009.

## 5.12. Implementation schedule

No	Target	Date
1.	Orientation Workshop	March, April 2010

2.	Finalization of expropriation	September 2010.
3.	Disclosure of document	October 25 <sup>th</sup> , 2010

### 5.13. Monitoring and Evaluation

#### Internal Monitoring

The internal monitoring is a conventional monitoring of government related to physical factors such as, number of families affected, resettled, assistance extended infrastructure facilities provided, etc. and other financial aspects, such as compensation paid, grant extended, etc. the internal M&E must be simultaneous with the implementation of the Resettlement Action Plan (RAP).

The objectives of the internal monitoring are:

- Daily Operations Planning;
- Management and Implementation; and
- Operational Troubleshooting and Feedback.

The periodicity of internal monitoring could be daily or weekly depending on the issues and level.

### 5.14. External monitoring

An external monitoring and concurrent evaluation consultant will be appointed to monitor and evaluate R&R programs on periodical basis. The role of such consultant is to facilitate process of R&R and thus provide support in the proper implementation of resettlement programs. It should also bring the difficulties faced by the PAPs to the notice of PIU so as to help in formulating corrective measures. As a feedback to the PIU and other concerned, the external consultant should submit quarterly report on progress made relating to different aspect of R&R.

The objectives of the external monitoring are:

- To track resettled and host population over time in order to document the restoration of income and standard of living.
- Determine remedial action if required.
- To check if income and standard of living of the PAPs has at least been restored and has not declined.
- In case of host population, to check whether income and standard of living of host population have not declined due to influence of people relocated in their area.
- To review whether resettled people and host population have re-integrated with each other.

### 5.15. Concurrent Evaluation

This evaluation will be carried out simultaneously with the monitoring. For concurrent Impact Evaluation the M&E consultant shall:

- Verify whether the objectives of resettlement have been realized, particularly the changes in the living standards;
- Compare impact assessments with the baseline values for key socio-economics as given in the RAP;
- Assess whether the compensation is adequate to replace the lost assets;

- Assess the level of satisfaction of the various assets provided as part of R&R implementation;
- Based on the impact assessment, propose suitable remedial measures for any shortcomings and;
- Propose remedial measures if PAPs are not able to improve their living standard.

# ANNEXURES

## **ANNEX I - Poll questionnaire**

This Questionnaire is a part of the activities in collecting data of importance for the evaluation of effects that the construction of the E 80 Highway section Pirot East - Dimitrovgrad would have on the social development of the area, and especially on the population and households that are directly or indirectly affected by construction and use of this road. This poll questionnaire was developed based upon the methodology and requirements set forth in the RPF.

Data collected in this questionnaire will be used exclusively for the needs of the elaboration of the Impact study and may not be used for other needs. Please cooperate and thus help us collect the necessary data for the benefit of the households possessing property which is the subject of expropriation.

### **Poll questionnaire**

#### **0. Identification of household**

**0.1.**First and last name of head of household\_\_\_\_\_

**0.2.**ID No. \_\_\_\_\_

**0.3.**Address (place, street and number) \_\_\_\_\_

**0.4.**Ownership status of apartment or apartment building (mark appropriate): owner, tenant of apartment in private ownership, tenant of state-owned apartment

#### **1.0.Type of influence to which household is exposed due to construction of the highway E 80 (mark appropriate):**

##### **1.1.The loss of agricultural land**

2.1.1. The total area of expropriated lot\_\_\_\_\_ and area of expropriated part of the lot in square meters \_\_\_\_\_

2.1.2. The percentage of expropriated land in relation to the total ownership of agricultural land on the territory of the municipality \_\_\_\_\_ %

2.1.3. The purpose of the expropriated land (mark appropriate): predominantly plowed land, predominantly vineyard, predominantly orchard, something else  
\_\_\_\_\_

2.1.4. Does your household employ external workers for the cultivation of expropriated land? YES  
NO

2.1.5. Is the expropriated land the basic source of income of your household? YES NO 2.1.6. How much income do you earn annually from this land? \_\_\_\_\_

2.1.7. Why did you choose funds for expropriated land instead of other agricultural land?  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**1.2.The loss of a residential structure (mark appropriate)**

- 2.2.1. The purpose of the building (mark appropriate): for permanent residence; vacation and recreation; agricultural works
- 2.2.2. Gross area of the building \_\_\_\_\_m<sup>2</sup>
- 2.2.3. Year of construction/reconstruction of building \_\_\_\_\_
- 2.2.4. Construction quality (mark appropriate): solid material; handy material
- 2.2.5. The following exists in the building (mark appropriate): kitchen, bathroom, connection to water supply of the settlement/pneumatic pump station; connection to sewer system of the settlement/outfitted with septic tank, electrical power.

**1.3.The loss of business – business premises**

- 2.3.1. Gross area of the building \_\_\_\_\_m<sup>2</sup>
- 2.3.2. Type of business \_\_\_\_\_
- 2.3.3. The number of employees (out of which members of household\_\_\_\_\_, other \_\_\_\_\_)
- 2.3.4. Monthly net income from business \_\_\_\_\_ RSD
- 2.3.5. Total monthly turnover/circulation \_\_\_\_\_RSD

**1.4.The loss of other land** (wood, pasture land...), area \_\_\_\_\_m<sup>2</sup>

**2.0.Demographic structure of the population:**

No.	Name	Relation to head of household	Sex	Age	Education	Occupation	Employment status
1							
2							
3							
4							
5							
6							
7							
8							

Relation to head of household: fill in – father, mother, son, child, wife, daughter-in-law, grandmother, grandfather.....

Sex: M – male; F – female

Age: fill in the age

Education: fill in the highest degree of education or craft

Occupation: fill in the current occupation: driver, teacher ..., pensioner, housewife, pupil, student.

Employment status: permanent employment, employment for specific period, occasional employment, unemployed....

### **3.0.Total monthly income of household (collectively for each type of income)**

#### **3.1.Income from work**

- 3.1.1. Income from permanent employment \_\_\_\_\_RSD per month
- 3.1.2. Income from occasional employment or employment for specific period of time \_\_\_\_\_RSD per month
- 3.1.3. Income from pensions \_\_\_\_\_ RSD per month
- 3.1.4. Agricultural income, total \_\_\_\_\_ RSD annually.

#### **3.2.Income from social welfare and help**

- 3.2.1. Social welfare \_\_\_\_\_ RSD per month
- 3.2.2. Children support \_\_\_\_\_ RSD per month
- 3.2.3. Disability welfare \_\_\_\_\_ RSD per month

#### **3.3.Income from real estates**

- 3.3.1. Lease of house or apartment \_\_\_\_\_ RSD per month
- 3.3.2. Lease of agricultural land \_\_\_\_\_ RSD /per month.

### **5.0. Credit indebtedness of household.**

Does the household have the obligation to repay credit on a monthly basis? NO YES

If answer is YES, fill in the amount of monthly payment, and the amount of total credit indebtedness \_\_\_\_\_.

### **6.0. How does the household estimate its social –economic position:**

- 6.1. As above average
- 6.2. As average
- 6.3. As very modest
- 6.4. As poor

### **7.0. How do you plan to spend the money received from expropriation:**

- 7.1. For purchasing a construction lot for building a house (for himself/herself or children), in which town/city? \_\_\_\_\_
- 7.2. For purchasing and apartment, in which town, city? \_\_\_\_\_
- 7.3. For starting a new business
- 7.4. For purchasing new agricultural land
- 7.5. For purchasing equipment and devices for household
- 7.6. For purchasing a car
- 7.7. For purchasing a truck or tractor
- 7.8. For current living
- 7.9. For other, what \_\_\_\_\_

### **8.0 Is any household member interested in some kind of additional training and acquisition of new knowledge:**

- 8.1. Yes, what kind of training, i.e. courses \_\_\_\_\_
- 8.2. No, why? \_\_\_\_\_

**9.0 Please, provide us with data on how you distribute and what do you spend monthly income on:**

- 9.1.Food \_\_\_\_\_ RSD/ monthly  
9.2.Costs of lodgment \_\_\_\_\_ RSD/ monthly  
9.3.Clothes, footwear \_\_\_\_\_ RSD/ monthly  
9.4.Hygiene \_\_\_\_\_ RSD/ monthly  
9.5.Education \_\_\_\_\_ RSD/ monthly  
9.6.Transportation \_\_\_\_\_ RSD/ monthly  
9.7.Medicines and medical treatment \_\_\_\_\_ RSD/ monthly  
9.8.Other, fill in \_\_\_\_\_ RSD/ monthly

**10. Which of the following devices do you possess in your household: (mark appropriate)**

- 10.1.Car, \_\_\_\_\_ years old  
10.2.Tractor , \_\_\_\_\_ years old  
10.3.TV, \_\_\_\_\_ years old  
10.4.Refrigerator, \_\_\_\_\_ years old  
10.5.Freezer, \_\_\_\_\_ years old

Computer with internet connection

**Thank you for your cooperation!**

**Questionnaire filled in by** \_\_\_\_\_

**Date and time of interview**

**ANNEXURE II - Grievance recording template**

Receiving Unit		Date	Location	
Name of complainant PAP	Content of complaint	The request mode of solving the complaint	Proposed plan	The actual results of treating the complaint
Number of complaint				Recorder Member of Grievance Commission*

**ANNEXURE III Entitlement Matrix (in lines with RPF, June 2009)**

<b>Affected Categories</b>	<b>Entitlement</b>
Loss of entire land holding	(i) offer of replacement agricultural land of equivalent productive value in the area and vicinity of the land being expropriated, together with all transfer/administrative taxes; or (ii) monetary compensation based on the assessed fair value.
Partial loss of land	(i) offer of replacement agricultural land of equivalent productive value in the area and vicinity of the land being expropriated, together with all transfer/administrative taxes; or (ii) monetary compensation based on the assessed fair value.
Unviable, redundant parcels of land/structures	If a remaining parcel of land after expropriation is not economically viable, it will be acquired and compensated if the project affected person so desires.
Structures and installations on the land (barns, shacks, fences, etc.)	The replacement cost for any investment made, and the value of time invested in construction.
Crops	The value of the crop, including the value of time needed to reproduce such a crop, and the replacement cost for any investment made (input, labor etc.).
Fruit bearing plants, vineyards, and orchards	The value of the harvest, including the value of time needed to reproduce such a harvest, the replacement cost for any investment made, (input, labor etc.) to raise new plants, vineyard or orchard until they reach full yielding potential.
Young vineyards or orchards not yet fruit-bearing	The replacement cost for any investment made for raising a replacement vineyard or orchards, including the value of time needed to reproduce replacement vineyard or orchards, and compensation for lost yields for each year from the year of expropriation.
Nursery	The replacement cost for any investment made on planting material (nursery plants and other reproduction material) not utilized.
Land needed on temporary basis	The market rental price for the duration of the lease. The land should be returned to the project affected person, in the same condition as it was taken.
House	Full compensation based on the replacement cost in a similar/comparable area plus moving, transfer/administrative taxes, and transition allowance.
Lessees of Public or State owned properties	Provision of the use of other corresponding Public or State owned equivalent property with the rights of a lessee for an equivalent period of time
Legal renters, employees, or workers on the land or in a business	Compensated for lost income earned from the land, as determined in the social assessment, and the replacement cost for any investment made on the land.
Illegal users of public and private land	Compensated for the replacement cost of any investment made on the land.
Persons with non-agricultural business	Full relocation cost of businesses affected, including the inventory, and the replacement cost for any investment.
Vulnerable groups (affected households with many dependents, household with unemployed head, households with disabled, poor households)	For this group, they will be given additional financial assistance to ensure that they will be no worse off after the project and can maintain and restore their livelihoods.

**Project Affected Household by category**

Impact Category	Number	Entitlements

<p>Major <sup>2</sup> Social Impact</p> <p><u>Loss of House</u></p> <p>Title Holder</p> <p>Tenants</p>		<p>(a) Replacement cost for land                  (b) Replacement cost for structure                  (c) Moving allowance                  (d) Subsistence allowance for 6 months                  (e) Right to salvage material</p> <p>(a) Moving allowance                  (b) Subsistence allowance for 6 months                  (c) Six months rental allowance</p>
<p><u>Loss of livelihood</u></p> <p>Title Holder</p> <p>Tenants</p>		<p>(a) Replacement cost for land                  (b) Replacement cost for structure                  (c) Moving allowance                  (d) Subsistence allowance for 6 months                  (e) Right to salvage material</p> <p>(a) Moving allowance                  (b) Subsistence allowance for 6 months                  (c) Six months rental allowance</p>
<p><u>Minor Social Impact</u></p> <p><u>Loss of Land</u></p> <p>Title Holder</p> <p>Tenants</p>		<p>(a) Replacement cost for land and crops</p> <p>(a) Replacement cost for land and crops</p>

<sup>2</sup> Major Impact is based on the severity of the impact and loss of the following for the PAPs (a) loss of dwelling requiring relocation, (b) Loss of place of business requiring relocation, (c) Loss of livelihood requiring alternate source of income, and (d) Loss of 20% or more of agriculturally productive land out of the affected land holding, or Loss of land due to severance or acquisition and the remaining land is not economically viable.

## **ANNEXURE IV - TOR for M&E Consultants**

The Social Safeguard Specialist (SSS) shall be a graduate of sociology, anthropology, legal or related sciences, with a further qualification in resettlement issues, having at least 15 (fifteen) years experience, of which:

- at least 5 (five) years have been spent working in a senior managerial position supervising the resettlement issues of major projects including control and monitoring of resettlement plans.

The SSS shall be responsible to the TL and to the PM for:

- providing advice on any resettlement issues and assist the Client and other bodies in processing and resolution of resettlement claims;
- providing advice on correct procedures to be followed and preparation of schedule when actions should be taken relevant to the design and construction program (action plan shall comply with the relevant policies of the GoS);
- review, update and/or preparation of new resettlement plans consistent with the resettlement framework plans and assisting the Client in preparing and updating resettlement plans;
- supervision and monitoring the implementation of the resettlement plans;
- monitoring the work related to dealing with complaints and grievances;
- providing updates to the resettlement plans as required to address any recurring problems or complaints;
- coordination and reporting on grievance resolution committee activities;
- management the aspects related to communication and disclosure of resettlement aspects under the Project;
- reporting monthly to the TL and the PM upon resettlement issues;
- assisting the TL in preparation of guides for environmental management and establishment and implementation of the training program.

Corridor X highway to Bulgaria (E80): Nis-Dimitrovgrad. This component involves construction of 84 km of highway on a section of the corridor south of Nis, near the Prosek settlement, to the border with Bulgaria near Dimitrovgrad. The proposed new highway will be built almost entirely on a new alignment and will extend the existing highway from Prosek all the way to the Bulgarian border. The motorway will be built with the following characteristics: four 3,75 m lanes and a design speed of 120 km/h for the sections Prosek-Bela Palanka and Pirot East-Dimitrovgrad bypass, four 3,5 m lanes and a design speed of 100 km/h for the more difficult section between Bela Palanka and Pirot East. The Corridor Xc section includes construction of 57 bridges (total length over 4,5 km) and 12 tunnels (total length over 4 km).

The period for Construction Supervision, in its various phases and stages is expected to be 54 months (including Defect Liability Period). The Consulting Services include rendering any and all required assistance to the K10DOO in carrying out the supervision of the works.

Consultant shall provide staff, including suitably qualified engineers and other professionals who are competent to carry out duties, such as:

- a) the supervision of the Contractors works in all aspects, of the fulfillment of their obligations, responsibilities and undertakings made with respect to the carrying out and completing of the works contracts (Engineer according to the FIDIC Red book);
- b) assistance to the K10DOO, including his associated duties to the Banks (determinations, financial control and reporting);
- c) the establishment of supervision methodology and systems that may be adopted as a standard for employment on future projects (documentary and software support shall be provided by the Consultant);
- d) to provide the necessary evidentiary records and analyses and act as the expert witness on the side of the K10DOO if any dispute issues arise out of the Project;
- e) Co-operation with Consultant Supervision of the Environmental Management Plans.

The K10DOO now invites eligible consultants to indicate their interest in providing the services. Interested consultants must provide information indicating that they are qualified to perform the services (brochures, description of similar assignments, experience in similar conditions, availability of appropriate skills among staff, etc). Consultants may associate to enhance their qualifications by forming joint ventures. In the case of joint venture member in-charge should be identified along with other members.



**ANNEXURE V - Progress monitoring table**

No	Monitoring Indicators for Physical Progress	Implementation Target	Revised Implementation Target	Progress This month	Cumulative Progress	% Against Revised Implementation Target
1.	Land acquired-private					
2.	Land acquired - agricultural					

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## **ANNEXURE VI - Key Baseline Indicators**

### 1. Demographic structure:

- Number of preschool-aged children in the household
- Number of children aged 7-15 in the household

### 2. Vulnerable groups:

- Elderly households (household with no members under 65 years old)
- Single parent family (with two or more minor children)
- Families with three or more minor children
- Households with disabled individuals
- Poverty-stricken households which have suffered various disasters
- Households encountering difficulties during reconstruction of houses and rehabilitation of agricultural production
- Households which accept some form of social welfare

### 3. Economy:

- Sources of income (primarily: agriculture, private entrepreneurship, public sector, pension/personal income, temporary work, households according to primary sources of income)
- Employment (constantly employed, temporarily employed, unemployed)
- Monthly income per household member
- Household below the poverty line
- Households at risk of poverty
- Tenant status of residential structure

### 4. Self-perception of the socio-economic position:

- above average
- average
- poor
- very poor.

6. Property situation of household (possesses agricultural and other land, possesses residential and other structures) - on the basis of data from the survey

7. Improving the living standard with money received from the expropriation

8. Access to services of public interest

9. Living conditions (quality of residential structure, surface area per household member, sanitary equipment in residential structure) - Indicators of habitation will be done in the case of expropriation of a structure used as permanent residence.