

BIH WATER AND SANITATION SERVICES  
MODERNIZATION PROJECT

---

**RESETTLEMENT POLICY FRAMEWORK**  
**FOR THE FEDERATION OF BOSNIA AND HERZEGOVINA**

February 2021

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## Abbreviations

BiH	Bosnia and Herzegovina
FBiH	Federation of Bosnia and Herzegovina
RPF	Resettlement Policy Framework (this document)
RAP	Resettlement Action Plan
PAP	Project Affected People
PIU	Project Implementation Unit (within the Federal Ministry of Agriculture, Water Management and Forestry)
ESS	Environmental and Social Standards of the World Bank
WB	World Bank
WSS	Water and sanitation services

## List of Definitions of Terms Used in this Document

<p>Census Survey and Baseline Socio-Economic Survey</p>	<p>The census identifies affected persons, and includes pertinent demographic (age, gender, family size, births, and deaths) and related social and economic information (ethnicity, health, education, occupation, income sources, livelihood patterns, productive capacity, and so forth). The census helps to determine eligibility of affected persons. It includes undertaking an inventory and valuation of assets and establishing, documenting, and making known the rights of those affected. The information gathered in connection with the census is the baseline, which serves as a reference point against which income restoration and the results of other rehabilitation efforts can be measured.</p> <p>The baseline socio-economic survey is used to determine and analyze the socio-economic conditions of individuals, households and businesses (formal or informal) which will be physically and economically displaced by a project (see definitions of physical and economic displacement below).</p>
<p>Cut-Off Date</p>	<p>The date after which anyone who moves into the project area is no longer entitled to compensation and/or assistance. It is intended to help prevent encroachment by opportunistic settlers. The cut-off date for formal property owners is usually recognized by national legislation. For informal owners/users not recognized by national legislation, setting the commencement date of the baseline socio-economic survey as the cut-off date is considered good practice.</p>
<p>Economic Displacement</p>	<p>Loss of assets or access to assets which affects livelihoods or income generation as a result of the project. People or enterprises may be economically displaced with or without experiencing physical displacement.</p>
<p>Entitlement</p>	<p>Compensation and assistance which affected people have the right to receive during resettlement. Entitlements are defined for each individual project, and are listed in the form of an Entitlements Matrix, i.e. a table containing information on who is entitled to what type of compensation and/or assistance.</p>
<p>Land Acquisition</p>	<p>Refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way. Land acquisition may also include: (a) acquisition of unoccupied or unutilized land whether or not the landholder relies upon such land for income or livelihood purposes; (b) repossession of public land that is used or occupied by individuals or households; and (c) project impacts that result in land being submerged or otherwise rendered unusable or inaccessible. "Land" includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and appurtenant water bodies.</p>
<p>Livelihood</p>	<p>Refers to the full range of means that individuals, families and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource- based livelihoods, petty trade and bartering.</p>
<p>Market Value</p>	<p>Value calculated based on prices of property in the area in which the particular property is acquired, which can be achieved for a particular property on the market, depending on supply and demand at that moment of setting the price.</p>
<p>Moving Allowance</p>	<p>Cash compensation for costs directly associated to moving/relocation of a household or business.</p>
<p>Physical Displacement</p>	<p>Loss of house/apartment, dwelling or shelter as a result of project-related land acquisition which requires the affected person to move to another location.</p>
<p>Project Affected People (PAP)</p>	<p>Any person who, as a result of the land acquisition required by the project, loses the right to own, use, or otherwise benefit from a built structure, land, annual or perennial crops and trees, or any other fixed or moveable asset, either in full or in part, permanently or temporarily.</p>
<p>Replacement Cost</p>	<p>Defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets acceptable minimum community standards of quality and safety.</p> <p>The valuation method for determining replacement cost should be documented and included in relevant resettlement planning documents. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons. To ensure compensation at replacement cost, planned compensation rates may require updating in project areas where inflation is high or the period of time between calculation of compensation rates and delivery of compensation is extensive.</p>

Restrictions on Land Use	Refers to limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of the project. These may include restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, restrictions on land use within utility easements or safety zones.
Resettlement Policy Framework	<p>A document developed when the exact nature or magnitude of the land acquisition or restrictions on land use related to a project with potential to cause physical and/or economic displacement is unknown due to the project development stage. The purpose of a framework is to clarify resettlement principles, organizational arrangements, and design criteria to be applied to subprojects to be prepared.</p> <p>Once the subprojects and individual project components are defined and the necessary information becomes available, the framework is expanded into a specific plan proportionate to potential risks and impacts (see item Resettlement Action Plan below).</p>
Resettlement Action Plan	<p>The document in which a client specifies the procedures it will follow and the actions it will take to mitigate adverse effects, compensate losses and provide development benefits to persons and communities affected by an investment project.</p> <p>Resettlement action plans are prepared for any project that results in economic or physical displacement. The scope and level of detail of the plan varies with the magnitude of displacement and complexity of the measures required to mitigate adverse impacts.</p>
Negotiated Settlements	Refers to situations where the Borrower needs to acquire specific land or restrict its use for project purposes, but rather than doing so through an expropriation proceeding, the Borrower first tries to arrive at a mutually agreeable negotiated settlement with the landowner/user. In many cases, both parties might find it advantageous to reach a negotiated settlement to avoid the delays and transaction costs associated with the full judicial or administrative process of expropriation or compulsory acquisition.
Security of Tenure	Means that resettled individuals or communities are resettled to a site that they can legally occupy, where they are protected from the risk of eviction and where the tenure rights provided to them are socially and culturally appropriate. In no event will resettled persons be provided tenure rights that are in effect weaker than the rights they had to the land or assets from which they have been displaced.
Vulnerable People/ Groups	<p>Vulnerable people are people who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status, may be more adversely affected by resettlement than others and who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits.</p> <p>Groups or persons who may be particularly vulnerable include, but are not limited to:</p> <ul style="list-style-type: none"> <li>▪ poor people</li> <li>▪ people with disabilities</li> <li>▪ refugees and internally displaced people</li> <li>▪ children, women, the elderly or ill persons</li> <li>▪ households whose heads are children or female</li> <li>▪ households who have no or have very limited resources</li> <li>▪ ethnic minorities (such as Roma people or others)</li> <li>▪ people without land or use rights under local legislation</li> </ul>

## 1 EXECUTIVE SUMMARY

The development objective of the Bosnia and Herzegovina (BiH) Water and Sanitation Services Modernization Project (the Project) financed by the World Bank (WB) is to:

- i. strengthen the institutional capacity at Entity and Local level for improved water and sanitation service delivery and
- ii. improve access to safely managed WSS services, and
- iii. (iii) improve the efficiency of WSS service providers in participating local governments.

The Project consists of three components, which will be implemented over a period of six years. The sub-projects in the Federation of Bosnia and Herzegovina (FBiH) will be managed by the Project Implementation Unit (PIU) within the Federal Ministry of Agriculture, Water Management and Forestry.

The proposed Project activities, due to the nature and extent of civil works under Component 3 of the Project, may have displacement impacts. At this Project planning phase, the likely nature or magnitude of the impacts related to the Project is impossible to estimate; therefore, this Resettlement Policy Framework (RPF) is prepared to clarify resettlement principles, organizational arrangements, and design criteria to be applied to sub-projects, and to mitigate potential resettlement impacts. It has been prepared in accordance with the legal system, laws and procedures in force in FBiH, and in conformity with WB requirements and good international practices. This RPF provides a framework for individual Resettlement Action Plans which will be prepared once the specific locations and impacts become known for any subproject that entails resettlement.

This RPF covers the following elements:

Chapter 2	Project description, scope of this RPF and the potential for land acquisition/resettlement
Chapter 3	Overview of WB requirements regarding land acquisition/resettlement
Chapter 4	Legal framework in FBiH, with an analysis of gaps between such framework and WB requirements
Chapter 5	Principles and objectives governing resettlement
Chapters 6 & 7	Compensation and entitlements for Project Affected People
Chapter 8	Requirements for disclosure of information and public consultations
Chapter 9	Grievance redress mechanism
Chapter 10	Arrangements for implementing Resettlement Action Plans to be developed

## 2 INTRODUCTION

### 2.1 Brief Description the Project

The development objective of the Project is to support BiH to (i) strengthen the institutional capacity at Entity and local level for improved water and sanitation service (WSS) delivery and (ii) improve access to safely managed WSS services, and (iii) improve the efficiency of WSS service providers in participating local governments. This Project is the first of a number of phases of the WSS modernization program in a 'series of projects' approach, with the overall objective of improving BiH's long-term sustainability and efficiency of WSS service delivery, and as a consequence, improving water security and resilience to expected climate change-induced shocks.

The Project consists of three components:

**Component 1: Improving the institutional capacity for sector modernization.** This component will finance activities at the Entities level to strengthen policy and regulatory frameworks and institutional capacity to advance sector reform and promote sustainable service delivery. This component has two sub-components:

*Sub-Component 1.1:* Support for water supply and sewerage sector reforms on Entity level will finance key activities of the reform process in coordination and in alignment with activities supported by other development partners. It will finance technical assistance for the: (i) development of a WSS sector financing mechanism which promotes performance based financing; (ii) institutionalization of a utility benchmarking system for the tracking, analysis and preparation of monitoring reports to assess the performance of water service providers in targeted municipalities; (iii) development of a rural WSS data base; (iv) launch of a national capacity building program for the professionalization of the sector.

*Sub-Component 1.2:* Project management and coordination of the sector reforms will finance (i) project implementation units to perform project management-related activities, including monitoring and evaluation, (ii) Project and entity audits, training, safeguards and fiduciary management, and all associated Project operating costs, (iii) beneficiary satisfaction surveys and managing a beneficiary feedback mechanism, including a grievance redress mechanism, (iv) coordination and technical backstopping of the reform process in the mid-term providing financial and technical support to line ministries and established Entity Working Groups; and (v) technical advice for the formulation of regulatory and policy frameworks, policy facilitation and public consultations in cooperation with Phase II of UNDP's Municipal Environmental and Economic Governance Project.

**Component 2: Support for water services sector reforms at local level.** This component targets the strengthening of the municipal WSS service delivery framework and its alignments with the institutional and regulatory framework that will be set at Entity level to maximize the impact of the reform process. It will finance inter-alia (i) the preparation of water utility business plans targeting improvements in organizational, financial and operational areas of water utilities for the modernization of WSS services; (ii) the development and signing of Public Service Agreements between the municipality and water utilities; (iii) preparation of tariff proposals, based on legislation; (iv) support for organizational restructuring; and (v) capacity building on technical, commercial and financial topics, including gender-specific areas of skill development.

**Component 3: Improving access to safely managed WSS services and the efficiency of WSS service providers.** This component targets infrastructure investments for improving access, quality and efficiency of WSS service delivery. It will finance investments according to the water utilities' performance level classification and the needs identified in their business plans prepared under component 2. Financing under this component would include two categories: (i) performance and efficiency improvements including but not limited to the implementation of non-revenue water reduction, energy efficiency programs and improvements in metering

and commercial systems and (ii) construct, upgrade, and modernize WSS infrastructure, including water treatment and distribution facilities and wastewater collection and treatment facilities.

## 2.2 Scope and Purpose of the Resettlement Framework

The purpose of this Resettlement Policy Framework (RPF) is to clarify resettlement principles, organizational arrangements, and design criteria to be applied to subprojects to be prepared during Project implementation, taking into account:

- the legislation in force at the level of FBiH
- the WB Environmental and Social Framework, specifically its Environmental and Social Standard 5: “Land Acquisition, Restrictions on Land Use and Involuntary Resettlement” (ESS5)<sup>1</sup>.

The RPF has been prepared as the exact locations of subprojects, potential land impacts and the extent of resettlement have not yet been defined. Once the specific locations and impacts become known, the RPF will guide the preparation of Resettlement Action Plans (RAPs) where applicable. RAPs will be prepared for all subprojects that entail resettlement, in order to satisfy the provisions of ESS5 and the requirements of local legislation regarding land acquisition. Project activities that will cause physical and/or economic displacement will not commence until such specific plans have been finalized and approved by the Bank.

The scope of requirements and level of detail of the RAPs will vary with the magnitude and complexity of resettlement. RAPs will be based on up-to-date and reliable information about:

- a) the proposed project and its potential impacts on the displaced persons and other adversely affected groups,
- b) appropriate and feasible mitigation measures, and
- c) the legal and institutional arrangements required for effective implementation of resettlement measures.

The minimum elements of a RAP according to ESS5 have been explained in [Annex A](#) to this document.

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<sup>1</sup> Available in English at: <http://pubdocs.worldbank.org/en/837721522762050108/Environmental-and-Social-Framework.pdf>



### 2.3 Potential for Land Acquisition/Resettlement and the Screening Process

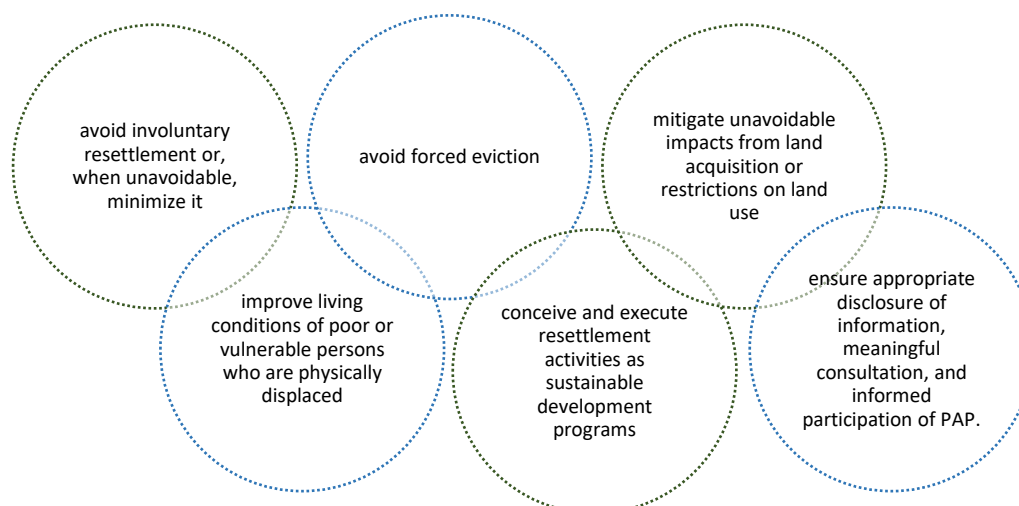
The proposed Project activities are likely to have land acquisition impacts. A preliminary list of subprojects has been identified, but are not yet mature for implementation.

Prior to the submission of subprojects for funding consideration, the PIU shall carefully screen the proposed subprojects to assess whether or not land acquisition may be required and to what extent. It is important to take into consideration during such screening that even though the planned project activities may not lead to impacts in terms of land acquisition, preparatory investment activities foreseen during the project preparation period (such as drilling activities, site clearance or construction of access roads) may involve temporary land acquisition or temporary occupation of land, in which case the PIU must ensure that such preparatory activities are also in compliance with the requirements of this RPF.

Following the screening process and determination of potential impacts, the PIU shall report the findings of the screening process to the WB and prepare site-specific RAPs, ensuring that all project activities adhere to the requirements of this RPF. The RAPs will be submitted to the WB for review and approval.

### 3 WORLD BANK REQUIREMENTS

The World Bank's ESS5 on Land Acquisition, Restrictions on Land and Involuntary Resettlement recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons. Project-related land acquisition or restrictions on land use may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood), or both. The objectives of ESS5 are:



According to ESS5, affected persons may be classified as follows:

	PAP categories	Rights
a)	Those who have formal legal rights to land or assets (i.e., those who have formal documentation under national law to prove their rights, or are specifically recognized in national law as not requiring documentation)	Compensation for loss of land or assets + Resettlement and livelihood assistance
b)	Those who do not have formal legal rights to land or assets, but have claim to land or assets that are recognized or recognizable under national laws (e.g. those who have been using the land for generations without formal documentation under customary or traditional tenure arrangements that are accepted by the community and recognized by national law, or those who have never been provided formal title or their documents may be incomplete or lost)	
c)	Those who have no recognizable legal right or claim to the land or assets they occupy or use (e.g. seasonal resource users, such as herders, grazers, fishers, hunters, or persons occupying land in violation of applicable laws)	Not eligible for compensation for land, but eligible for resettlement and livelihood assistance + compensation for assets owned

The key requirements of ESS5 may be summarized as follows:

- **Involuntary resettlement should be avoided where possible.** Where unavoidable, it will be minimized and appropriate measures to mitigate adverse impacts on displaced persons (and on host communities receiving displaced persons) will be carefully planned and implemented.
- **All feasible alternative project designs** should be considered to avoid or minimize land acquisition or restrictions on land use, while balancing environmental, social and financial costs and benefits, and paying particular attention to gender impacts and impacts on the poor and vulnerable;

- **Negotiated settlements** with affected persons are encouraged to help avoid administrative or judicial delays associated with formal expropriation, and to the extent possible to reduce the impacts on affected persons associated with formal expropriation;
- When land acquisition or restrictions on land use cannot be avoided, the Borrower will offer affected persons **compensation at replacement cost, and other assistance as may be necessary** to help them improve or at least restore their standards of living or livelihoods;
- The Borrower **will not resort to forced evictions of affected persons**. “Forced eviction” is defined as the permanent or temporary removal against the will of individuals, families, and/or communities from the homes and/or land which they occupy without the provision of, and access to, appropriate forms of legal and other protection. The exercise of eminent domain, compulsory acquisition or similar powers by a Borrower will not be considered to be forced eviction providing it complies with the requirements of national law and the provisions of ESS5, and is conducted in a manner consistent with basic principles of due process.
- **Disclosure of relevant information and meaningful participation** of affected communities and persons will take place during the consideration of alternative project designs, and thereafter throughout the planning, implementation, monitoring, and evaluation of the compensation process, livelihood restoration activities, and relocation process;
- The Borrower will ensure that a **grievance mechanism** for the project is in place as early as possible in project development to address specific concerns about compensation, relocation or livelihood restoration measures raised by displaced persons (or others) in a timely fashion.
- Where land acquisition or restrictions on land use are unavoidable, the Borrower will **conduct a census** to identify the persons who will be affected by the project, to establish an inventory of land and assets to be affected, to determine who will be eligible for compensation and assistance, and to discourage ineligible persons, such as opportunistic settlers, from claiming benefits.

## 4 LEGAL FRAMEWORK IN THE FEDERATION OF BOSNIA AND HERZEGOVINA

### 4.1 Legal Framework in FBiH

#### Law on Expropriation of FBiH

The key provisions of the *Law on Expropriation of FBiH*<sup>2</sup> are summarized in [Table 1](#) below.

*Table 1: Key Provisions of the FBiH Law on Expropriation*

<i>Public interest</i>	Property can only be expropriated after public interest is declared for a project. The Law lists several structures the construction of which justifies expropriation. Public interest is declared by a special decree, a law or a spatial/urban plan.
<i>Pre-condition to start expropriation</i>	Expropriation can only be started after the required funds have been secured and deposited with the bank in the assessed total sum for payment, or proof of existence of replacement properties provided.
<i>Types of expropriation</i>	Expropriation may be complete or incomplete: <ul style="list-style-type: none"> <li>→ Complete expropriation allows the expropriation beneficiary to obtain legal title over the expropriated property, while the rights of the previous owner over the property as well as other rights over that property cease to exist.</li> <li>→ Incomplete expropriation does not entail change of ownership of land (in cases such as laying of water pipelines). It provides the beneficiary with usufruct rights on the land and structures, as well as the lease of the land for a definite period. At the end of the lease, usufruct rights over land are returned to the previous owner.</li> </ul>
<i>Right to request expropriation of remaining unviable land</i>	Landowners affected by a partial loss of their property are entitled to request complete expropriation and the corresponding compensation, in case partial expropriation would deteriorate the economic situation of the actual property owner or make the remaining part of the property useless or difficult to use. Owners must be informed of such right by the municipal/city authority. Such request may be submitted until the Decision on Expropriation is issued in the first instance, as well as during the appeal procedure if the affected owner was not informed of such right.
<i>Temporary occupation of land</i>	The Law also regulates temporary occupation of land for construction purposes. Land occupation must be requested by a formal proposal indicating its purpose, the property proposed to be used, the owner of the property and the duration. Municipal authorities decide on the approval for land occupation. Compensation must be provided in the amount of lease at market prices.
<i>Negotiations</i>	The Law explicitly encourages negotiated settlements, thus enabling the expropriation beneficiary and property owner to agree on transfer of ownership and compensation during the entire process.
<i>Timing of compensation</i>	Compensation must be provided prior to formal transfer of ownership.
<i>Preferred type of compensation</i>	As a rule, appropriate replacement property is preferred by the Law. It is defined as property in the same municipality or city which corresponds to the expropriated property in terms of the market value, and which offers approximately similar conditions of usage as they had had prior to expropriation. <p>In case the property owner refuses such replacement property, or replacement property cannot be provided, compensation is paid in cash at market value of the property. The market value is based from the property prices in the area where the expropriated property is located, which can be achieved for the specific property in the market, and which depends on the demand and supply at the time of determining it.</p>

<sup>2</sup> Official Gazette of FBiH, No. 70/07, 36/10, 25/12, 34/16

	<p>The Law also defines the method of determining compensation for orchards, forests and agricultural plantations, etc.</p>
<i>Additional compensation</i>	<p>Property owners are also entitled to:</p> <ul style="list-style-type: none"> <li>→ increased compensation based on “personal and family circumstances”, which are taken into consideration if such circumstances are essential for the owner’s livelihood, particularly in case a major part or whole of the land or commercial premises have been expropriated, thus endangering the livelihood of the former owner, or in case members of an agricultural household must move from the area where they had been living</li> <li>→ lost profit: the former owners are entitled to the lost profit they would have earned if they had continued using the expropriated property. Lost profits are calculated from the date the owner lost possession of the property until the date he/she received compensation.</li> </ul> <p>Both types of entitlements are defined on a case by case basis.</p>
<i>Compensation eligibility</i>	<p>As a rule, the owners of buildings and land registered in the Land Register, the so-called formal property, are entitled receive compensation at market value.</p> <p>Owners of informally built structures are not entitled to receive the compensation; however, the owners of informal structures may demolish the structure and take away the materials within the time set by the responsible administrative department; otherwise, the structure shall be removed at the expense of the owners of informally built structures. The exception from this rule is when an informally built residential building is the only residential building the owner and their closest family members (right to home) or their legal heirs possess, in which case they are entitled to the compensation at market value. Conditions for recognition of the right to compensation to an owner of an informally built structure, in addition to the above, include:</p> <ul style="list-style-type: none"> <li>→ that the responsible authority had not passed a final decision to remove the building;</li> <li>→ that the informally built structure is registered in the official aerial survey of the territory of the Federation of Bosnia and Herzegovina;</li> <li>→ that the informal building is the only home of the owner of the informally built structure and members of their closest family, or their heirs.</li> </ul>
<i>Access to property</i>	<p>For reasons of urgency and in order to avoid major damage, the expropriation beneficiary may take possession of land even before the Decision on Expropriation becomes final and before compensation is paid, but solely on the basis of a decision by the FBiH Government.</p> <p>Prior to submitting a request to gain early access, the expropriation beneficiary must present to the owner the reasons for the urgency and an offer a negotiated settlement that allows early access to the property.</p> <p>The request for an early access to property is submitted to the FBiH Administrative Commission of the Government, while the Federation Administration for Geodetic and Property Affairs prepares the proposed decision.</p> <p>If the case involves expropriation of a residential or commercial structure, the expropriation beneficiary may not file a request for an early access unless a replacement property is secured.</p> <p>An administrative dispute may be initiated against the Decision of the FBiH Government which allows early access. The dispute does not delay early access to the property.</p>

### Expropriation Procedure

1. The expropriation beneficiary must publish a public invitation to property owners to try to reach a **negotiated settlement**. The parties then conclude a notarised purchase agreement on transfer of legal title.
2. In case a negotiated settlement has not been reached, the expropriation beneficiary files a **proposal for expropriation** to the relevant municipality. Even after this step, a negotiated settlement can still be signed.
3. Upon receiving the proposal, the municipality must **notify the owners** that the expropriation procedure has been initiated, together with a warning to the owners that they shall not be entitled to compensation of costs of their investments in land or buildings made after they received written notification that the expropriation procedure had commenced (except the costs of regular maintenance) – **cut-off date**.
4. The municipality must then **meet with the owners** to discuss expropriation, and also notify them that they have the right to file a request for expropriation of the remaining unviable part of the property.
5. If land registry data do not correspond to the actual ownership situation (often the case due to out-dated information in the land registry books<sup>3</sup>), the municipality must **sort out the title issues** prior to proceeding with further steps.
6. The municipality issues a **Decision on Expropriation**. PAP can appeal against this Decision to the Federal Administration for Geodesy and Legal Property Affairs. If still unsatisfied, PAP can initiate an administrative dispute before the cantonal court.
7. When the Decision on Expropriation becomes final, the municipality **must invite the PAP to agree on the amount of compensation**. If the parties come to an agreement, a formal agreement is signed.
8. If no agreement on compensation is reached within 2 months, the municipality refers the case to the municipal court to determine the compensation. PAP can appeal against the court's decision and take the case to the cantonal court (whose decision is then considered final but can still be disputed at the Supreme Court).
9. Formal transfer of legal title in the land register is carried out on the basis of a valid Decision and proof of payment of compensation or proof that the previous owner has acquired ownership over other corresponding property.

### Other Relevant Legislation of FBiH

- The *Law on Proprietary Rights*<sup>4</sup> regulates the general issues of acquiring, using, disposing of, protecting and terminating ownership rights and other proprietary rights and possession rights, including the issues of restricting such rights, the right of servitude, co-ownership and joint ownership rights, the procedure for acquiring property rights over land and/or structures erected on someone else's land. The Law states that ownership rights and other proprietary rights may only be limited or taken away in public interest and under the conditions defined by the Law in accordance with the principles of international law.

A significant provision of the Law is that occupants of property acquire ownership rights upon 10 years of conscientious and legal occupancy, or upon 20 years of conscientious occupancy.

In addition, the Law provides that the conscientious builder of a structure on land owned by another person is entitled to acquire such land, if the land owner did not oppose to the construction. The land owner is in this case entitled to request to be compensated for the market value of the land.

- The *Law on Agricultural Land of FBiH*<sup>5</sup> contains the basic definitions and principles regarding the management, protection, use, planning, and records related to agricultural land. The Law provides that

<sup>3</sup> E.g. the person registered in the land registry is different from the actual owner/user who may be the heir, the person who purchased the property but failed to report such transfer, etc.).

<sup>4</sup> Official Gazette of FBiH, No. 66/13, 100/13

<sup>5</sup> Official Gazette of FBiH, No. 52/09

a right of way may be established on agricultural land, as decided by the city or municipal council. The owners of such land are entitled to compensation in accordance with the Law on Expropriation.

- The *Law on Construction Land of FBiH*<sup>6</sup> allows for the legalization of informally constructed structures on construction land in state ownership on which a structure has been built. This Law enables the subsequent issuing of a permit for construction, by the Municipal Council, in accordance with the Law on Spatial Planning. Legalization of informally constructed buildings is further regulated by decrees taken at cantonal level, and implemented at municipality level.
- The *Law on Administrative Proceedings of FBiH*<sup>7</sup> is applied in the procedure of expropriation as a subsidiary law to the *Law on Expropriation*. It regulates the procedures the administrative authorities apply when deciding on rights and obligations of the citizens. Parties have the right to appeal the decisions issued in the first instance. The law offers the opportunity of appointing the temporary representative if, for example, the residence of the owner of property being expropriated is unknown. The temporary representative shall be appointed by the body conducting the procedure if so required by the urgency of the case. If the temporary representative were appointed to act on behalf of a person whose residence is unknown, the authority conducting the procedure shall publish their conclusion on the bulletin board or in another usual way (in newspapers or other media outlets).
- The *Law on Land Registry of FBiH*<sup>8</sup> regulates keeping, maintaining and establishing land register, as well as entry of property and rights on properties in such land register. The right of ownership and other proprietary rights are acquired by registration in the land register. In the procedure of expropriation, the final decision on expropriation accompanied with the evidence of payment shall be considered the grounds for registration of the expropriation beneficiary as the owner.
- The *Law on Non-Contentious Proceedings of FBiH*<sup>9</sup> stipulates the rules the courts apply in proceedings and decision-making process on individual, family, property and other rights or legal interest, which are under the law resolved in non-contentious proceedings. The courts establish the amount of compensation for the expropriated property in non-contentious procedure. The parties may conclude an agreement on the form and scope of compensation, i.e. the amount of the compensation, and the court passes the decision that is based on their agreement, if it finds the agreement compliant with the regulations defining ownership relations.
- The *Law on Bases of Social Welfare, Protection of Civilian Victims of War, and Protection of Families with Children*<sup>10</sup> regulates social protection and aims at ensuring social protection to its citizens and their families that are in social need. Individuals and families in need are entitled to temporary, one-time and other types of monetary assistance, as well as other types of assistance. Right to such assistance may be asserted before the responsible body of the municipality where the person and family reside.

## 4.2 Gaps and Solutions

In general, the above described legislation of FBiH provides an adequate framework to carry out resettlement and compensation activities in line with WB requirements. The main gaps between local legislation and WB requirements and the solutions addressed through this RPF are presented in [Table 2](#) below. Given the explained

<sup>6</sup> Official Gazette of FBiH, No. 67/05

<sup>7</sup> Official Gazette of FBiH, No. 2/98, 48/99

<sup>8</sup> Official Gazette of FBiH, No. 19/03, 54/04

<sup>9</sup> Official Gazette of FBiH, No. 39/04, 73/05

<sup>10</sup> Official Gazette of FBiH, No. 36/99, 54/04, 39/06, 14/09, 45/16 and 40/18

differences between ESS5 and the local legislation, it will be possible to reconcile these differences in the phase of negotiations (for both formal and informal owners/users) which are encouraged by the legislation in order to avoid formal expropriation.

*Table 2: Analysis of gaps and measures to bridge gaps*

Issue	Gap	Measures to bridge the gap
Avoiding involuntary resettlement	<p>The Law on Expropriation does not specifically mention avoidance of involuntary resettlement and thus does not encourage public authorities to seek such avoidance. However, the authorities as the beneficiaries of expropriation have the legal obligation to seek to achieve negotiated settlements under the Law.</p> <p>Furthermore, project designing processes in the past have consistently sought to avoid or minimize resettlement and expropriation in practice within efforts to reduce costs.</p>	<p>Maximum efforts will be made to sign negotiated settlements with project affected persons in order to avoid expropriation, and such efforts shall be documented, as defined under the “Key Principles and Commitments” chapter of this RPF.</p>
Resettlement planning and implementation	<p>The Law on Expropriation has no explicit requirements related to socio-economic surveys or development of resettlement plans. However, with a view of facilitating expropriation in an early phase, the Law requires the development of an expropriation study which includes a geodetic/cadastral plan of the area identified for expropriation, list of affected owners and properties, evaluation of the property value, and other related information. The scope of the expropriation study is not identical to the baseline assessment as required by ESS5.</p>	<p>As defined under the “Key Principles and Commitments” chapter of this RPF, RAPs will be prepared for all subprojects that entail resettlement.</p> <p>The development of the RAPs will also include a socio-economic survey and census which will identify both formal and informal land/property users as well as vulnerable persons/ households.</p>
Cut-off date	<p>There are no differences with respect to determining the cut-off date (the date or after which persons who take residence in the project area are not eligible to a compensation and/assistance) between ESS5 and the local legislation.</p> <p>However, local legislation has no requirement to communicate the cut-off date throughout the project area.</p>	<p>As defined under the “Key Principles and Commitments” chapter of this RPF, the cut-off date will be communicated (i) in the local media, (ii) at consultation meetings.</p>
Compensation for displaced persons	<p>There are no differences between ESS5 and the Law on Expropriation with respect to the principle of determining the <i>type</i> of compensation, given that the Law favors allocation of a replacement property of equal value, and if the beneficiary of expropriation does not have appropriate property, it will offer cash compensation at market value of the property.</p> <p>However, there are two major differences between ESS5 and the Law on Expropriation.</p> <p>The <u>first</u> difference is the category of persons who are entitled to compensation. The Law refers mainly to formal owners of property with some exceptions for informally built residential structures.</p> <p>The <u>second</u> difference lies in the fact that ESS5 requires compensation at replacement cost, whereas the Law requires compensation at market value of property, and does not explicitly refer to compensation for any registration costs etc.</p>	<p>Compensation will be provided in line with ESS5 requirements, as defined under the “Key Principles and Commitments” chapter. Specific entitlements are listed in the Entitlements Matrix.</p>
Economic displacement	<p>The Law on Expropriation does recognize the right of (formal) owners to <i>compensation of lost profit</i> which they would have made through former use of properties during the period from their transfer until the point when they gained access to replacement properties. Thus, e.g., the formal owner of a business structure is entitled to compensation for any loss of income until he/she is able to fully restore business activities.</p> <p>However, the Law does not foresee compensation for economic displacement to the same extent as ESS5 (e.g. compensation for informal owners/users who will be economically displaced, ensuring a system of assistance, etc.).</p>	<p>Same as above</p>
Vulnerable groups	<p>There are no specific provisions in the Law on Expropriation which require consultations with and providing assistance to vulnerable groups in the expropriation process.</p> <p>In practice, impacts on socially disadvantaged persons are to a certain extent mitigated through social welfare measures implemented at local</p>	<p>Appropriate measures will be applied in line with this RPF.</p>



Issue	Gap	Measures to bridge the gap
	government level and social welfare centers, as well as by applying specific legal remedies regulated by the Law in the form of increased compensation for expropriated properties to formal owners, and in each specific case taking into account the social status, financial situation, unemployment, income level, etc.	
Grievance mechanism	While the Law on Expropriation does envisage the right of affected population to file complaints in various phases of the expropriation procedure, there is no requirement for establishment of an independent grievance mechanism to process complaints related to specific projects.	A grievance mechanism in line with ESS5 will be established as described under the "Grievance Mechanism" chapter of this RPF.
Participation/ consultations	Several articles of the Law on Expropriation stipulate notifying of/consultation with property owners and stakeholders. However, there is no requirement to ensure involvement of all affected population from the earliest phase.	Disclosure of information and consultations will be carried in out in line with the requirements of this RPF.

## 5 KEY LAND ACQUISITION / RESETTLEMENT PRINCIPLES AND COMMITMENTS

The following principles of resettlement and land acquisition will be adhered to in relation with Project implementation:

### 1. Compliance with FBiH legislation and WB requirements

Any involuntary acquisition of property, restriction of access to assets or resettlement that may arise in conjunction with the implementation of subprojects will be conducted in compliance with the applicable legislation in FBiH, the requirements of ESS5, this RPF and good international practice.

### 2. Avoiding or minimizing resettlement

Involuntary resettlement will be avoided where feasible, or minimized, exploring all viable alternative project designs.

To the extent possible, amicable negotiations and agreements with PAP will be sought to avoid or minimize the extent of involuntary resettlement.

### 3. Resettlement Action Plans (RAPs)

Where it is not feasible to avoid resettlement, the procedures and requirements outlined in this RPF will be followed in the preparation and implementation of site-specific RAPs for each of the locations/sites where resettlement is expected.

During the preparation of RAPs, a census and baseline survey will be conducted in order to determine the number of people affected, their average income and standard of living, employment rate and general health condition etc., and establish who shall be eligible for compensation and assistance.

### 4. Cut-off date

The cut-off date for the establishment of eligibility for formal land owners will be the date of submission of proposals for expropriation by the expropriation beneficiary to relevant authorities (as stipulated by the Law on Expropriation), and the cut-off date for informal owners not recognized by the local legislation will be the commencement date of the baseline survey.

The cut-off date will be publicly disclosed in the local media and consultation meetings, with an accompanying explanation.

Persons who have settled in the Project area after the cut-off date will not be eligible for any compensation, but will be given sufficient advance notice, requested to vacate premises and dismantle affected structures prior to project implementation. The materials of their dismantled structures will not be confiscated and they will not pay any fine or suffer any sanction.

### 5. Improving livelihoods and standards of living

Livelihoods and standards of living of affected persons shall be improved or at least restored to pre-displacement levels or to levels prior to the beginning of Project implementation, whichever is higher, in as short a period as possible.

### 6. Compensation

All owners, occupants and users of affected properties at the time of the cut-off date, whether with or without fully recognized ownership rights, will be eligible for certain type of compensation or assistance as outlined in the Entitlements Matrix (Table 3 of this document). Both loss of shelter (physical displacement) and loss of livelihoods (i.e. "economic displacement") shall be taken into account and mitigated.

Compensation eligibility will be limited by a cut-off date to be set for each subproject on the date of submission of proposals for expropriation for formal owners, and on the day of the beginning of the baseline survey for any informal users.

Compensation will always be effected prior to land entry or taking of possession over property by the expropriation beneficiary. The land cannot be taken physically (i.e. any civil works or construction cannot start) before compensation has been paid to the affected persons. In the case of absentee owners (e.g. people with legal rights to the land but who are living elsewhere), they will still be eligible for compensation and the implementing agency should make, and document, good faith efforts to find them and inform them about the process. These efforts may include efforts to reach them through their neighbors, publication of an ad in newspapers informing about the process, etc. If they cannot be found, and in accordance with local requirements, the compensation amount must be allocated in an escrow account and be readily available should the absentee owner reappear.

In case there any legal issues related to the ownership of a property, the compensation amount must be allocated in an escrow account and be readily available once the legal issues related to the ownership had been resolved.

In accordance with the WB requirements and principles of the FBiH Law on Expropriation, for any displaced persons whose livelihoods are land-based, preference will be given to land-based resettlement strategies to the extent possible. Whenever replacement land is offered, affected persons should be provided with land for which the combination of productive potential, location-specific advantages and other features is at least equivalent to those of the land to be taken for Project needs. However, payment of cash compensation for lost assets may be appropriate where livelihoods are land-based but the land to be acquired for the Project represents a small fraction of the affected plot and the residual part is still economically viable; where active markets for land or housing exist and there is sufficient offer of land and housing; or in case of livelihoods that are not land-based. Cash compensation will be provided at replacement cost. The replacement cost includes the amount sufficient to replace lost assets and cover transaction costs (e.g. administrative, registration, transaction fees, transfer taxes, legalization fees, etc.). In determining the replacement cost, depreciation of the asset will not be taken into account.

In case a business is affected, livelihood restoration assistance will be based on the income lost during the period required to re-establish the business elsewhere, to be assessed on a case-by-case basis.

## 7. Information disclosure and consultations

All affected persons and any new host communities will be informed, meaningfully consulted and encouraged to participate in the planning, RAP development, resettlement implementation and evaluation. Affected people will be informed about their options and rights pertaining to resettlement, and consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives.

All directly affected persons (owners, occupants and users) will be visited and explained the land acquisition process and the specific impacts on their land.

Access to information and assistance for vulnerable persons/households will be facilitated by the PIU according to the specific needs of such persons, on the basis of case-by-case screening to be carried out with support from the relevant municipal social departments.

In addition, the PIU will disclose this RPF and any future RAPs to municipalities on whose territory land acquisition may take place (in both English and local language), and assist the municipalities in understanding the requirements set out in these documents. The involved municipalities will keep hard copies of both documents in their premises for public review. The PIU, in cooperation with local authorities, will ensure that procedures for submitting grievances are communicated and available to PAP at municipal level.

#### 8. Temporary occupation of land

Short-term impacts related to temporary occupation of land for construction purposes will be compensated in accordance with the local legislation on expropriation, as well as in accordance with the requirements of ESS5 for any informal owners/users affected by such temporary land occupation, as stipulated in the Entitlements Matrix (Table 3 of this document).

#### 9. Assistance to vulnerable persons

Particular attention and consideration must be paid to the needs of vulnerable groups. Vulnerable people will be identified and appropriate measures for providing support to such people will be incorporated in the RAPs, based on the personal situation of such vulnerable people. An indicative list of such measures includes but is not limited to: individual meetings to explain eligibility criteria and entitlements, assistance during the payment process (ensuring that compensation documents and payment process are well understood), supplemental social assistance, support for removal and transportation of materials, etc.

#### 10. Relocation assistance

Relocation assistance should cover the cost of moving furniture and other personal belongings in case of physical resettlement of households, and the costs of transfer and reinstallation of equipment, machinery or other assets for affected businesses. Where applicable, the moving assistance should also include support to cover the cost of identifying and securing a new dwelling, as well as other relocation costs such as the cost of transferring utilities to the new address.

#### 11. Grievance mechanism

An effective grievance mechanism will be in place for receiving and addressing in a timely fashion specific concerns about compensation and relocation raised by displaced persons, in the manner described in more detail in Chapter 9 of this RPF.

#### 12. Monitoring and evaluation

The PIU will monitor and evaluate the implementation of the RAPs, both through internal, official institutional arrangements, as well as through an independent, external monitor, in the manner described in more detail in Chapter 10.3 of this RPF.

## 6 COMPENSATION AND ENTITLEMENTS

In cases where land acquisition and resettlement cannot be avoided, all PAP shall be entitled to compensation, according to the compensation principles of the FBiH Law on Expropriation and ESS5 requirements. The whole process must be transparent, publicly disclosed, and defined in detail within the RAPs. The primary criterion for PAP eligibility is that the person or the asset must have been located within a project area before the cut-off date.

According to ESS5, there are 3 categories of persons in terms of compensation eligibility:

- Those who have formal legal rights to land or assets;
- Those who do not have formal legal rights to land or assets, but have claim to land or assets that are recognized or recognizable under national laws; and
- Those who have no recognizable legal right or claim to the land or assets they occupy or use.

This indicates that the persons who have or claim formal rights to land or assets are considered eligible for compensation of the land or assets they lose, as well as other assistance such as moving allowance and support after resettlement, whereas persons who do not have any recognizable legal rights or claims to the land they have been occupying before the acquisition procedure are eligible for resettlement and livelihood assistance.

In case an amicable sale-purchase agreement between the expropriation beneficiary and the affected owner is reached, the PIU must make sure that the agreement is in accordance with ESS5 requirements. No land acquisition (i.e. start of construction) shall take place prior to the provision of all types of required compensation to affected owners.

Compensation entitlements for different categories of eligible persons and assets covered either by the current applicable legislation of FBiH or by this RPF to bridge the gaps and meet the specific WB requirements are described below in [Table 3](#).

Table 3: Entitlements Matrix

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY	ENTITLEMENT
<b>HOUSEHOLDS</b>	
Loss of land plot (owner)	Replacement property with similar or same characteristics or Cash compensation for land plot at replacement cost for land plot
Loss of residential structure erected with construction permit on one’s own land	Replacement property with similar or same characteristics or Cash compensation at replacement cost + Cash compensation in the amount of construction value for informally built auxiliary structures (sheds, garages, drier, summer kitchens, etc.) + Moving allowance
Loss of residential structure erected with construction permit on one’s own land (and informal annexes and upgrades)	Replacement property with similar or same characteristics or Cash compensation at replacement cost for the formal part of the structure and land plot + Cash compensation at construction value for the informal part of the structure and informally built auxiliary structures + Moving allowance
Loss of residential structure erected without construction permit on one’s own or someone else’s land	Compensation for the land to the owner at replacement cost + Cash compensation at construction value for informally built structures and auxiliary structures (sheds, garages, drier, summer kitchens, etc.) + If the total paid compensation to structure owner is insufficient to build/purchase a new accommodation , the owner of informally built structure is entitled to be provided with an adequate accommodation with security of tenure, if he/she and the members of their family do not own another residential structure or apartment, along with additional assistance as needed, to be assessed on a case by case basis + Moving allowance
Loss of an apartment as a special part of a building (owner)	Replacement property with similar or same characteristics or Cash compensation at replacement cost + Moving allowance
Loss of residential structure/apartment (informal occupant)	Provision of use of alternative accommodation H, with security of tenure, if the occupant has no or no stable sources of income and his/her family does not own other property, along with additional assistance as needed, to be assessed on a case by case basis

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY	ENTITLEMENT
	+ Moving allowance
Temporary land occupation and losses (owner or tenant)	Compensation in the amount of rental obtainable on the market + Cash compensation for loss of assets (such as structures, crops, plantation) + Obligation to restore the land to pre-project condition + Compensation at market value for loss of net income from subsequent crops that cannot be planted for the duration of temporary possession (e.g. compensation for harvest lost at average yield/hectare)
Loss of right of way (owner or tenant)	Compensation for reduced market value of the property <sup>11</sup> + Compensation for any damages to the property
Loss of residential structure/apartment (lessee)	Timely notification of the lessee in order to honor the notice period (as regulated in the lease agreement) + Payment of resettlement costs and compensation for other costs caused by relocation and cash compensation on a one-time basis (transitional allowance) + Provision of replacement structure/apartment for lease or assistance to identify an alternative location + Transitional assistance suited to the needs of each group of displaced persons
Loss of land (informal land possessors)	Cash compensation for loss of assets (crops, irrigation infrastructure and other upgrades on the land) at replacement cost
Loss of annual crops (formal or informal owner of land or tenants/sharecroppers)	Right to harvest crops or (if harvesting is not possible) cash compensation for crops at replacement cost
Loss of perennial crops / orchards (formal or informal owner of land or tenants/sharecroppers)	Right to pick fruits, vegetables, etc. + Cash compensation for perennial plants and trees at replacement cost
<b>BUSINESSES</b>	
Loss of place of business and loss of business (owner of formal business structure)	Replacement property with similar or same characteristics or Cash compensation at replacement cost +

<sup>11</sup> Reduced market value represents a decrease in value of real estate due to establishment of right of way by the expropriation beneficiary, and is determined on a case-by-case basis. It is paid in the form of cash compensation defined by an official court expert.

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY	ENTITLEMENT
	<p>Cash compensation at construction value for any informally erected commercial structures (if they exist on the business location)</p> <p style="text-align: center;">+</p> <p>Cash compensation for costs of the transfer and reinstallation of the plant, machinery or other equipment</p> <p style="text-align: center;">+</p> <p>Cash compensation for loss of profit as a result of the project (until the restoration of business activities elsewhere), calculated based on average values of business transactions over the past three years recorded in the responsible tax authority</p>
<p>Loss of place of business and loss of business (owner of informal business structure or business structure of temporary character)</p>	<p>Cash compensation at construction value of commercial structure (as existing on the day of the cut-off date)</p> <p style="text-align: center;">+</p> <p>Ensuring an adequate replacement location for lease to enable continued business transactions, unless the owner has the same or similar business activity elsewhere</p> <p style="text-align: center;">+</p> <p>Cash compensation for costs of the transfer and reinstallation of the plant, machinery or other equipment</p> <p style="text-align: center;">+</p> <p>Cash compensation for loss of profit as a result of the project (until the restoration of business activities elsewhere (up to 6 months)), calculated based on average values of business transactions over the past three years recorded in the responsible tax authority; in case of unregistered businesses, the loss of profit to be calculated by official court expert based on comparable business activities in the same or similar location</p>
<p>Loss of business in a leased structure (lessee)</p>	<p>Timely notification of the lessee in order to honor the notice period</p> <p style="text-align: center;">+</p> <p>Compensation for all improvements on premises (such as reconstruction, refurbishment etc.) at replacement cost</p> <p style="text-align: center;">+</p> <p>Compensation for costs of equipment and inventory relocation and re-installation</p> <p style="text-align: center;">+</p> <p>Cash compensation on a one-time basis (transitional allowance) to be determined on a case to case basis during social survey by obtaining relevant data on income and livelihood. Transitional allowance shall then be determined commensurate with the loss</p> <p style="text-align: center;">+</p> <p>Provision of replacement premises for lease or assistance to identify an alternative location</p>
<p>Temporary land occupation during construction works (formal or informal business structures)</p>	<p>Affected land and infrastructure shall be restored to the pre-project condition</p> <p style="text-align: center;">+</p> <p>Cash compensation for temporary occupation of the land in the amount of a lease at market value</p> <p style="text-align: center;">+</p> <p>Compensation for any lost asset (such as structure, trees, etc.)</p>
<p>Loss of salaries (employees in formal or informal business structures)</p>	<p>In case of temporary interruption of business operations and consequently temporary interruption of work of employees: compensation for loss of salaries to employees, in the amount of the average salary for the last six months (to be paid directly to the employer who shall submit proof of paid salaries in the transition period)</p> <p style="text-align: center;">In case of termination of business activities as a result of the project:</p> <p>compensation for severance pay to employees in the amount of salaries paid in the last six months (to be paid directly to the employees)</p>



TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY	ENTITLEMENT
Temporary losses of business income/rent during the construction works (businesses which are not relocating)	Cash compensation for loss of income until the completion of construction works which directly impact the business operations of the business entity, in line with assessment of court experts
Reduced value of business property due to acquisition of part of land on which business assets are located (e.g. parking lot of business)	Cash compensation for reduced value for business property, in line with assessment of court experts
<b>OTHER</b>	
Impacts on vulnerable groups	<p>On top of all rights defined in this matrix, vulnerable PAP will be provided additional assistance including legal assistance and help. Any additional support required for any affected vulnerable households will be determined on case-to-case basis during socio-economic survey.</p> <p>These PAP are to be given priority of employment on the project if possible.</p>
Loss of public infrastructure	Public infrastructure will be replaced before destruction by infrastructure of the same or better specifications.
Undefined impact (permanent or temporary loss)	Any undefined impact shall be mitigated in accordance with the principles and objectives of this RPF. In case of discrepancies between national legislation and WB policy in a particular case, the provision more favorable for the affected owner/user shall prevail.

## 7 COMPENSATION FOR DIFFERENT CATEGORIES OF ASSETS

### Compensation for structures and compensation for construction land

The preferred option for structures and construction land which are identified for expropriation should be a replacement structure/land in accordance with the FBiH Law on Expropriation. In case of replacement assets, the following criteria should be applied to the greatest possible extent:

- Plots with structures should be of approximately same size and involve same possibilities of use,
- Structures should be of similar size and standards, including access to utilities, and
- Structures should be at a reasonable distance and have similar potential from the livelihood aspect (e.g. access to employment and agriculture).

If PAP are offered a replacement structure of smaller size or less favorable characteristics, the owners must be paid the difference in value.

If an affected owner decides to take cash compensation in lieu of replacement property or if it is not possible to find appropriate replacement property in the given area, the structures shall be compensated in cash at full replacement cost. This will be the market value of the materials required to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not to be taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. It also includes costs for levelling or other preparation for new construction or use. The costs shall be calculated at the time when the property is replaced, if this is not the case, the calculation shall take into account inflation.

Compensation will also be provided for any damages caused by construction activities.

### Compensation for agricultural land

As regulated by the FBiH Law on Expropriation, compensation for land shall be determined whenever possible in form of another appropriate property which enables the previous owner approximately equal terms of use. Equal terms of use are satisfied if the following criteria are met:

- being acceptable to the affected owner/farmer,
- being approximately the same size,
- having a similar or better agricultural potential, i.e. fertility, slope, parcel shape, exposition to sunshine, and
- Being located at reasonable distance.

In case when the affected owner cannot be offered an equivalent property because no equivalent agricultural land can be found at reasonable distance or the land which is available is not acceptable for the owner, the body in charge of expropriation shall provide a written prove on failed attempts to find similar land, and pay compensation for such land at full replacement cost.

For agricultural land, the replacement cost of the land of equally productive potential or use which is in the vicinity of the affected land during the period before the project or in the pre-displacement phase, whereby the higher value should be taken into account, with the cost of land preparation required to bring it to the level similar to the affected land, including costs of registration in land registry and transfer fees.

The local legislation does not explicitly define the situation when it is possible to offer a plot of smaller size or a plot with lower agricultural potential in lieu, and whether it would be acceptable to pay the difference in cash including compensation in kind in order to settle the difference in size or potential. In situations when it is not possible to identify and offer a plot of the same size and with the same potential, while it is possible to offer smaller plots with less potential, the owner will be offered a possibility to receive a part of compensation in kind (replacement property – plot) and a part in cash. In such case it is necessary to value both plots, affected and replacement plot, in order to calculate the difference.

#### Compensation for unviable land

Unviable land refers to agricultural land remaining after partial expropriation of land, which is too small in size to make cultivation economically profitable. In case where the land owner assesses the plot remainder as unsuitable for further agricultural use or in case where the land plot would lose its access road, the owner can apply for expropriation of the whole plot. Such situations are to be assessed on an individual basis, based on the following criteria:

- Size, dimensions and shape of the unviable part of the plot;
- Agricultural potential of the remaining part of the plot compared to that of the expropriated part;
- Access restrictions;
- Size and nature of mechanical equipment typically used for cultivation on this plot and whether such equipment reasonably can be used given the size, shape and dimensions of the unviable part of the plot;
- Potential restrictions to irrigation or drainage during the construction period.

Compensation for unviable land, once recognized such, will be based on the same entitlements as the main affected piece of land.

#### Compensation for crops and trees

All trees perennial and annual crops (that cannot be harvested prior to land entry) shall be compensated at full market value. Any potential damages as a result of construction works on trees and crops shall also be compensated at full replacement cost.

To the extent possible, expropriation and land entry will generally be phased in such a manner that any standing annual crops, regardless of their development stage, can be harvested before the land is taken from the land owner or land user. Annual crops that are harvested before land occupation by the beneficiary agency shall not be compensated. For those annual crops that cannot be harvested prior to land entry or that are damaged by construction works, they shall be compensated at full market value. Recent records of agricultural produce prices at cantonal or municipal level shall be used. Where such records are not available, the most recent official data published by the Agency for Statistics of BiH shall be used by agricultural experts.

The calculation of the full replacement cost requires consideration not only of the product of the crop over one year, but also of the cost of re-establishing the plantation (seedlings, soil preparation, fertilizers, others), as well as of the lost income during the period needed to re-establish the crop. In addition, appraisers will assess whether current productivity reflects the true productivity of the land or if it is a function of lack of inputs to the land. In the event that more than one year's compensation is due to the affected persons, the crops after the first year will be compensated at gross market value.

For trees and forests the calculation should be made in accordance with the principle of full replacement cost, whereby the rate of compensation C for a tree shall be determined by application of the following formula:

$$C = V \times D + C_P + C_L$$

V – Average market value of production of one tree for one year

D – Average period of time required to grow a new tree to an adult production level, in years

$C_p$  – Cost of planting (seedling, soil preparation, initial fertilization)

$C_L$  – Costs of the labor required to maintain the crop during the period of time needed to grow a new tree to the previous production level

The unit rate C per tree shall then be applied to the whole plot under the assumption of an average density or on the basis of precise counting of all trees.

Compensation rates will be generated for the following four stages of tree development

- Seedling,
- Young, not productive,
- Young productive, and
- Mature.

Unlike perennial plantation of fruit trees, where crops can be harvested over a prolonged period of time, the majority of commercial types of trees produce yield only once. The replacement cost should therefore be the market value of an average timber. If affected commercial forests cannot be logged before the expropriation beneficiary gains access to the plot, the principle of compensation will be similar to the one applied to annual crops, taking into account the value of lost timber.

#### Compensation for business-related losses

Businesses that need to be relocated will be compensated for:

- monetary compensation at full replacement cost for commercial structures and land (in line with the same principles as defined above for residential assets),
- relocation costs (e.g. costs of the transfer and reinstallation of the plant, machinery or other equipment),
- loss of net income incurred as a result of Project activities until the full restoration of business activities.

Businesses losing only part of their land will be provided with:

- monetary compensation at full replacement cost for land,
- loss of net income incurred as a result of Project activities until the full restoration of business activities,
- any damages caused by construction activities.

Owners of businesses who would prefer to be provided with an alternative (replacement) business location instead of cash compensation will be offered support from the PIU and the municipal authorities in locating an appropriate replacement property with similar conditions of use in the manner defined above.

## 8 DISCLOSURE OF INFORMATION AND PUBLIC CONSULTATIONS

The PIU, together with the representatives of municipal authorities in charge of expropriation, will be responsible for communicating with affected communities and PAP.

**All PAP will be timely informed about the Project's scope and contacts for further information inquiries, the available grievance mechanism and the availability of the publicly available documents, through:**

- the website of the Ministry of Agriculture, Water Management and Forestry of FBiH ([www.fmpvs.gov.ba](http://www.fmpvs.gov.ba))
- the website of the involved municipality.

**Affected households and businesses will be individually visited and informed by the public departments in charge of expropriation about the impacts of the Project on their property,** particularly the precise impacts on their property. PAP will be consulted during the preparation of the RAP and informed on the results of the census and baseline survey, and their opinions on compensation or other resettlement assistance will be given due consideration. The processes and mechanisms ensuring the active involvement of PAP and other stakeholders will be detailed in the RAPs which will also include an appendix with the date, list of participants, and minutes of consultation meetings.

**Access to information for vulnerable groups will be facilitated by the PIU,** as appropriate for each person/household according to their specific needs and/or situation, in cooperation with municipal departments for social affairs.

The **PIU will disclose this RPF and any future RAPs to municipalities on whose territory land acquisition may take place** (in both English and local languages), and assist the municipalities in understanding the requirements set out in these documents. The involved municipalities will keep hard copies of both documents in their premises for public review. The PIU, in cooperation with local authorities, will ensure that procedures for submitting grievances are communicated and available to PAP at municipality level.

Public consultation on this RPF will be held (may be held at the same time as public consultation for approved drafts of other Project documents). The RPF will be disclosed (on the website of the Ministry of Agriculture, Water Management and Forestry of FBiH) and will be available for public insight at least 10 days prior to public consultations and sufficient time must be given for submitting comments and questions. The public consultation invitation will be sent to institutional stakeholders and published in national and local newspapers of communities that are known to be, or may be, affected by the Project. Public consultation will be announced in other media, as available (websites, social media, TV and radio stations).

**Report and comments from public consultation, with a list of participants, will be added to this RPF and sent to WB for final review and re-disclosed.**

## 9 GRIEVANCE MECHANISM

### 9.1 Project-specific Grievance Redress System

The PIU will establish a register of grievances, and ensure that PAP are fully informed of the grievance mechanism by communicating the availability of this registry, its function, the contact persons and the procedures to submit a complaint in the affected areas.

A sample grievance form is provided in [Annex B](#) of RPF.

The PIU will ensure that the involved municipality dedicates at least one officer to the task of administering grievances. This officer will ensure that grievances are acknowledged receipt of within 3 calendar days, that grievances are allocated to the right person for review and proposal of resolution, and that resolution / closure letters are timely sent to the complainant and acknowledged receipt of. The officer in charge at municipality level will have to provide updates to the PIU on the received grievances on a regular basis and upon any extraordinary or urgent developments.

Any comments or concerns can be brought to the attention of the PIU or the Local municipal officer verbally or in writing (by post or e-mail) or by filling in a grievance form, without any costs incurred to the complainant. Grievances can also be submitted anonymously.

All grievances will be recorded in the register and assigned a number, and acknowledged within 7 calendar days. Each grievance will be recorded in the registry with the following information:

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

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

If the particular issue raised through the grievance mechanism cannot be addressed or if action is not required, a detailed explanation/ justification will be provided to the complainant on why the issue was not addressed. The response will also contain an explanation on how the person/ organization that raised the complaint can proceed with the grievance in case the outcome is not satisfactory.

If the complainant is not satisfied with the implemented corrective action and/or a justification on why the corrective action is not required, the complaint will be directed to the Grievance Committee. The Grievance Committee will include at least:

- one member of the PIU,
- one member of the relevant municipality,
- two representatives of PAP.

The Committee will re-evaluate previously carried corrective action and/or the justification on why an action is not required, and reconsider alternatives to address the complaint on the satisfactory manner. The complainant will be informed about the proposed alternative corrective action and follow-up of alternative corrective action within 3 months upon the acknowledgement of grievance.

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

**Contact details for enquiries and grievances:**

**Attention:** Sukavata Bejdić, Head of PIU – Project coordinator, Federal Ministry of Agriculture, Water Management and Forestry

**Address:** Hamdije Čemerlića 2, Sarajevo 71000

Phone: +387 033 726-550

<https://fmpvs.gov.ba/en/homepage-eng/>

## 9.2 World Bank Grievance Redress System

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

For information on how to submit complaints to the World Bank's corporate Grievance Redress Service, please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## 10 IMPLEMENTATION OF RAPs

### 10.1 Implementation Responsibilities

Ensuring that the entire process of RAP preparation and implementation in FBiH is carried out adequately in line with the requirements of this RPF will be the responsibility of the PIU (specifically, the social specialist within the PIU). The social specialist will liaison with municipalities and other involved agencies, and will be responsible for communication with and disclosure of information to all involved parties.

RAPs will be in place prior to the initiation of any land acquisition activities.

The specific tasks regarding the preparation and implementations of RAPs will be shared between the PIU, municipal administrations and other involved agencies, according to [Table 4](#) below:

*Table 4: Organizational Responsibilities and Arrangements*

Task	Responsible party
<b>Preparation of RAPs</b>	
Ensuring the preparation of RAPs including the census and socioeconomic surveys	PIU
Developing municipalities' awareness of the requirements of RPF and RAPs	PIU
Approval of RAP	WB
<b>Information disclosure and consultations</b>	
Disclosure of information and documents to all Project Affected People and communities, and organization of public meetings	PIU in cooperation with the involved municipalities
Keeping records of consultation activities	PIU
<b>Land acquisition process</b>	
Direct communication with and visits to owners and occupants	PIU and the involved municipalities as the expropriation authorities
Negotiations and expropriation activities, prior to construction commencement	PIU and the involved municipalities
Provision of assistance to vulnerable persons / households	PIU in cooperation with the municipal departments responsible for social care, displaced persons and refugees
Payment / provision of compensation packages	PIU
<b>Monitoring and reporting</b>	
Monitoring and reporting to WB with respect to land acquisition	PIU
Monitoring and reporting in respect of temporary land occupation carried out after construction commencement	Contractor
Preparation of a Completion Audit at the end of the land acquisition process	Independent third party contracted by PIU
<b>Receiving and managing grievances</b>	
Grievance processing and management	PIU / Local municipality officer
Receiving grievances and acknowledging receipt of grievances	PIU / Local municipality officer
Keeping an integrated registry of grievances	PIU



## 10.2 Costs

The costs of the land acquisition/resettlement process will be the responsibility of the FBiH Ministry of Agriculture, Water Management and Forestry and the involved municipalities. Social assistance costs will be the responsibility of the mentioned Ministry and the involved municipalities. Detailed cost estimates will be provided in the RAPs.

## 10.3 Monitoring and Reporting

Monitoring of the land acquisition and resettlement process will be conducted by the PIU to:

- ascertain whether activities are in progress as per schedule and the timelines are being met;
- ensure that the standards of living of PAP are restored or improved;
- assess whether the compensation / rehabilitation measures are sufficient;
- identify any potential issues; and
- identify methods to mitigate any identified issues.

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

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

- Overall spending on land acquisition and compensation,
- Number of PAP by categories,
- Number of structures (residential, commercial and auxiliary) identified for expropriation,
- Number of private land plots identified by the contractor as necessary to be temporarily occupied during construction works (type of land plot, amount of compensation paid, duration of land occupation),
- Number of public meetings and consultations with affected persons,
- Number and percentage of negotiated settlements signed,
- Number of persons requesting special assistance and types of assistance provided to vulnerable individuals/households in a timely manner,
- Number of people having received compensation in the period disaggregated by type of compensation and by classes of amounts,
- Number and type of grievances in relation to land acquisition (number of grievances, number and percentage of grievances resolved within set deadlines, number and percentage of persons satisfied with the outcome, e.g. response to their grievance/comment, disaggregated by gender) and number of court cases related to land acquisition,
- Number of successful relocations of households (new location, level of income),
- Number of successful relocations of businesses (new location, level of income, number of employees),
- Number of successfully re-established agricultural activities after land acquisition or restriction of access as a result of the Project (level of income).

The PIU will prepare and submit to WB annual Project Progress Reports including the progress achieved in the implementation of RAPs.

In addition, the PIU will facilitate the development of a Completion Audit at the end of the land acquisition process by an independent expert.

## ANNEXES

A	Minimum Elements of a Resettlement Plan
B	Sample Grievance Form

## A. Minimum Elements of a Resettlement Plan

The tables below have been prepared based on the requirements set out in the WB Framework, specifically *ESS5—Annex 1. Involuntary resettlement instruments*.

### General requirements for a resettlement plan

ELEMENT	EXPLANATION
Description of the project	General description of the project and identification of the project area
Potential impacts	<p>Identification of:</p> <ul style="list-style-type: none"> <li>a) project components or activities that give rise to displacement, explaining why the selected land must be acquired for use within the timeframe of the project;</li> <li>b) zone of impact of such components or activities;</li> <li>c) scope and scale of land acquisition and impacts on structures and other fixed assets;</li> <li>d) any project-imposed restrictions on use of, or access to, land or natural resources;</li> <li>e) alternatives considered to avoid or minimize displacement and why those were rejected; and</li> <li>f) mechanisms established to minimize displacement, to the extent possible, during project implementation.</li> </ul>
Objectives	The main objectives of the resettlement program.
Census survey and baseline socioeconomic studies	<p>The findings of a household-level census identifying and enumerating affected persons, and, with the involvement of affected persons, surveying land, structures and other fixed assets to be affected.</p> <p>The census survey also serves other essential functions:</p> <ul style="list-style-type: none"> <li>a) identifying characteristics of displaced households, including a description of production systems, labor, and household organization; and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population;</li> <li>b) information on vulnerable groups or persons for whom special provisions may have to be made;</li> <li>c) identifying public or community infrastructure, property or services that may be affected;</li> <li>d) providing a basis for the design of, and budgeting for, the resettlement program;</li> <li>e) in conjunction with establishment of a cutoff date, providing a basis for excluding ineligible people from compensation and resettlement assistance;</li> <li>f) establishing baseline conditions for monitoring and evaluation purposes.</li> </ul> <p>If deemed relevant, additional studies on the following subjects may be required:</p> <ul style="list-style-type: none"> <li>g) land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, non-title-based usufruct systems (including fishing, grazing, or use of forest areas) governed by local recognized land allocation mechanisms, and any issues raised by different tenure systems in the project area;</li> <li>h) the patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project;</li> <li>i) social and cultural characteristics of displaced communities, including a description of formal and informal institutions (e.g., community organizations, ritual groups, nongovernmental organizations (NGOs)) that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.</li> </ul>
Legal framework	<p>The findings of an analysis of the legal framework, covering:</p> <ul style="list-style-type: none"> <li>a) scope of the power of compulsory acquisition and imposition of land use restriction and the nature of compensation associated with it, in terms of both the valuation methodology and the timing of payment;</li> <li>b) applicable legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process and the normal timeframe for such procedures, and any available grievance redress mechanisms that may be relevant to the project;</li> <li>c) laws and regulations relating to the agencies responsible for implementing resettlement activities;</li> <li>d) gaps, if any, between local laws and practices covering compulsory acquisition, imposition of land use restrictions and provision of resettlement measures and ESS5, and the mechanisms to bridge such gaps.</li> </ul>
Institutional framework	<p>The findings of an analysis of the institutional framework covering:</p> <ul style="list-style-type: none"> <li>a) identification of agencies responsible for resettlement activities and NGOs/CSOs that may have a role in project implementation, including providing support for displaced persons;</li> <li>b) assessment of the institutional capacity of such agencies and NGOs/CSOs;</li> </ul>

ELEMENT	EXPLANATION
	c) any steps that are proposed to enhance the institutional capacity of agencies and NGOs/CSOs responsible for resettlement implementation.
Eligibility	Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cutoff dates.
Valuation of and compensation for losses	The methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation for land, natural resources and other assets under local law and such supplementary measures as are necessary to achieve replacement cost for them.
Community participation	Involvement of displaced persons (including host communities, where relevant): <ul style="list-style-type: none"> <li>a) description of the strategy for consultation with, and participation of, displaced persons in the design and implementation of the resettlement activities;</li> <li>b) summary of the views expressed and how these views were taken into account in preparing the resettlement plan;</li> <li>c) review of the resettlement alternatives presented and the choices made by displaced persons regarding options available to them;</li> <li>d) institutionalized arrangements by which displaced people can communicate their concerns to project authorities throughout planning and implementation, and measures to ensure that such vulnerable groups as indigenous people, ethnic minorities, the landless, and women are adequately represented.</li> </ul>
Implementation schedule	An implementation schedule providing anticipated dates for displacement, and estimated initiation and completion dates for all resettlement plan activities. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.
Costs and budget	Tables showing categorized cost estimates for all resettlement activities, including allowances for inflation, population growth, and other contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds, and funding for resettlement, if any, in areas outside the jurisdiction of the implementing agencies.
Grievance redress mechanism	The plan describes affordable and accessible procedures for third-party settlement of disputes arising from displacement or resettlement; such grievance mechanisms should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms.
Monitoring and evaluation	Arrangements for monitoring of displacement and resettlement activities by the implementing agency, supplemented by third-party monitors as considered appropriate by the Bank, to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; involvement of the displaced persons in the monitoring process; evaluation of results for a reasonable period after all resettlement activities have been completed; using the results of resettlement monitoring to guide subsequent implementation.
Arrangements for adaptive management	The plan should include provisions for adapting resettlement implementation in response to unanticipated changes in project conditions, or unanticipated obstacles to achieving satisfactory resettlement outcomes.

### Additional planning requirements where resettlement involves physical displacement

When project circumstances require the physical relocation of residents (or businesses), resettlement plans require additional information and planning elements, as follows:

ELEMENT	EXPLANATION
Transitional assistance	The plan describes assistance to be provided for relocation of household members and their possessions (or business equipment and inventory). The plan describes any additional assistance to be provided for households choosing cash compensation and securing their own replacement housing, including construction of new housing. If planned relocation sites (for residences or businesses) are not ready for occupancy at the time of physical displacement, the plan establishes a transitional allowance sufficient to meet temporary rental expenses and other costs until occupancy is available.
Site selection, site preparation, and relocation	When planned relocation sites are to be prepared, the resettlement plan describes the alternative relocation sites considered and explains sites selected, covering: <ul style="list-style-type: none"> <li>a) institutional and technical arrangements for identifying and preparing relocation sites, whether rural or urban, for which a combination of productive potential, locational advantages, and other</li> </ul>

ELEMENT	EXPLANATION
	<p>factors is better or at least comparable to the advantages of the old sites, with an estimate of the time needed to acquire and transfer land and ancillary resources;</p> <p>b) identification and consideration of opportunities to improve local living standards by supplemental investment (or through establishment of project benefit-sharing arrangements) in infrastructure, facilities or services;</p> <p>c) any measures necessary to prevent land speculation or influx of ineligible persons at the selected sites;</p> <p>d) procedures for physical relocation under the project, including timetables for site preparation and transfer; and</p> <p>e) legal arrangements for regularizing tenure and transferring titles to those resettled, including provision of security of tenure for those previously lacking full legal rights to land or structures.</p>
Housing, infrastructure, and social services	Plans to provide (or to finance local community provision of) housing, infrastructure (e.g., water supply, feeder roads), and social services (e.g., schools, health services); plans to maintain or provide a comparable level of services to host populations; any necessary site development, engineering, and architectural designs for these facilities.
Environmental protection and management	A description of the boundaries of the planned relocation sites; and an assessment of the environmental impacts of the proposed resettlement and measures to mitigate and manage these impacts (coordinated as appropriate with the environmental assessment of the main investment requiring the resettlement).
Consultation on relocation arrangements	The plan describes methods of consultation with physically displaced persons on their preferences regarding relocation alternatives available to them, including, as relevant, choices related to forms of compensation and transitional assistance, to relocating as individual households families or with preexisting communities or kinship groups, to sustaining existing patterns of group organization, and for relocation of, or retaining access to, cultural property (e.g., places of worship, pilgrimage centers, cemeteries).
Integration with host populations	Measures to mitigate the impact of planned relocation sites on any host communities, including: <p>(a) consultations with host communities and local governments;</p> <p>(b) arrangements for prompt tendering of any payment due the hosts for land or other assets provided in support of planned relocation sites;</p> <p>(c) arrangements for identifying and addressing any conflict that may arise between those resettled and host communities; and</p> <p>(d) any measures necessary to augment services (e.g., education, water, health, and production services) in host communities to meet increased demands upon them, or to make them at least comparable to services available within planned relocation sites.</p>

#### Additional planning requirements where resettlement involves economic displacement

If land acquisition or restrictions on use of, or access to, land or natural resources may cause significant economic displacement, arrangements to provide displaced persons with sufficient opportunity to improve, or at least restore, their livelihoods are also incorporated into the resettlement plan, or into a separate livelihood improvement plan. These include:

ELEMENT	EXPLANATION
Direct land replacement	For those with agricultural livelihoods, the resettlement plan provides for an option to receive replacement land of equivalent productive value, or demonstrates that sufficient land of equivalent value is unavailable. Where replacement land is available, the plan describes methods and timing for its allocation to displaced persons.
Loss of access to land or resources	For those whose livelihood is affected by loss of land or resource use or access, including common property resources, the resettlement plan describes means to obtain substitutes or alternative resources, or otherwise provides support for alternative livelihoods.
Support for alternative livelihoods	For all other categories of economically displaced persons, the resettlement plan describes feasible arrangements for obtaining employment or for establishing a business, including provision of relevant supplemental assistance including skills training, credit, licenses or permits, or specialized equipment. As warranted, livelihood planning provides special assistance to women, minorities or vulnerable groups who may be disadvantaged in securing alternative livelihoods.

ELEMENT	EXPLANATION
Consideration of economic development opportunities	The resettlement plan identifies and assesses any feasible opportunities to promote improved livelihoods as a result of resettlement processes. This may include, for example, preferential project employment arrangements, support for development of specialized products or markets, preferential commercial zoning and trading arrangements, or other measures. Where relevant, the plan should also assess the feasibility of prospects for financial distributions to communities, or directly to displaced persons, through establishment of project-based benefit-sharing arrangements.
Transitional support	The resettlement plan provides transitional support to those whose livelihoods will be disrupted. This may include payment for lost crops and lost natural resources, payment of lost profits for businesses, or payment of lost wages for employees affected by business relocation. The plan provides that the transitional support continues for the duration of the transition period.

## B. Sample Grievance Form

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

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Please return this form to:**

**Attention: Sukavata** Bejdić, Head of PIU – Project coordinator, Federal Ministry of Agriculture, Water Management and Forestry

**Address:** Hamdije Čemerlića 2, Sarajevo 71000

**Phone:** +387 033 726-550

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