

Main Road Reconstruction Project, Rehabilitation and upgrade of the Danilovgrad- Podgorica road section

LAND ACQUISITION AND RESETTLEMENT FRAMEWORK

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EARTH ACTIVE



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Glossary

CM	Cadastre Municipality
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
ESIA	Environmental and Social Impact Assessment
ESP 2014	Environmental and Social Policy 2014
HH	Household
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
TA	Transport Administration of Montenegro
NTS	Non-Technical Summary
PAPs	Project Affected People/Parties
PIU	Project Implementation Unit
PR5	Performance Requirement 5 on Land Acquisition, Resettlement and Livelihood Restoration
RED	Real Estate Directorate
SEP	Stakeholder Engagement Plan
SES	Socio-Economic Study

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Executive Summary

The European Bank for Reconstruction and Development (EBRD) is considering providing finance of a sovereign loan of up to EUR 40 million to TA (the Transport Administration of Montenegro) to finance the rehabilitation and upgrade of three Sections of the Country's main road network, including the Podgorica – Danilovgrad section of the M18 (the Project). Since the Project is being considered for financing by EBRD, the TA needs to demonstrate that the Project will be constructed and operated in line with the EBRD's Environmental and Social Policy (2014) and associated Performance Requirements (PRs) including PR 5: Land Acquisition, Involuntary Resettlement and Economic Displacement.

The physical and economic displacement required by the project is currently being addressed in accordance with the Montenegrin expropriation process. In addition the project is being structured to meet the requirements of EBRD PR5. To date 349 expropriation cases have been opened in the national process out of a total of 551 cases identified so far. Approximately 90% of asset owners have attended proceedings to date and no formal complaints have been lodged, though recent reports from the field suggest that some PAPs are unhappy with the process that has been implemented to date. They do not feel that assets have been correctly identified or that prices are fair and they find compensation amounts to be inconsistent.

This document focuses on the actions that will be required to comply with PR5. It identifies existing gaps and proposes processes for building the sorts of engagement, studies, negotiations and grievance management systems that will enable completion of the land acquisition in conformance with the EBRD requirements. It also proposes the appointment of a suitably empowered and qualified TA social manager, who will provide a social voice in decision making both within the resettlement process and through participation in construction planning and weekly construction meetings. This role does not currently appear to be present and should cover all social management issues, rather than only resettlement. One of the social manager's key roles would be to prevent significant social impacts from occurring before adequate mitigation is in place. Additionally, they would ensure that PAPs are effectively and respectfully consulted regarding impacts and proposed mitigation, are able to participate in decisions that affect them and have access to effective grievance processes.

In addition to the appointment of an empowered TA social manager, additional steps that will be required to create a conformant LARP include:

1. Developing effective consultation, disclosure and participation processes with PAPs.
2. Developing a responsive and timely grievance process for PAPs.
3. Building on existing data to create reliable data on resettlement and livelihood losses and impacts from the land acquisition process including differential losses for specific groups.
4. Using the data to create a transparent resettlement compensation and support entitlement package.
5. Applying the framework using a negotiated approach.
6. Monitoring, reporting transparently and eventually auditing the resettlement.

This Land Acquisition and Resettlement Framework (LARF) details the existing understanding of land acquisition at the project, conformance gaps and risks and sets out the process for developing a PR5 compliant LARP.

1 INTRODUCTION

1.1 Introduction

This document describes the actions that will be taken to create a Land Acquisition and Resettlement Plan (LARP) for the Montenegro Main Roads Reconstruction Project: Tranche 2 - Danilovgrad-Podgorica that conforms to EBRD performance requirement 5.

Earth Active prepared this document, based on a previous LARP document prepared by E3 consultants. It summarizes work already undertaken by the Transport Administration of Montenegro (TA) and the Real Estate Directorate (RED) to identify, measure and price land, crop and built assets using the processes required under the Expropriation Law for projects that have been determined to be in the public interest. It also describes supplementary data collection and consultation and disclosure activities that have been carried out. After identifying the gaps between the current situation and the requirements, it lays out a series of actions designed to rehabilitate the existing process to fulfil the EBRD requirements for Land Acquisition, Involuntary Resettlement and Economic Displacement under Performance Requirement 5 (PR5) (in accordance with the EBRD's Environmental and Social Policy (2014)).

PR 5 aims to:

- Avoid or, when unavoidable, minimise, involuntary resettlement by exploring alternative project designs
- Mitigate adverse social and economic impacts from land acquisition or restrictions on affected persons' use of and access to assets and land by:
 - (i) providing compensation for loss of assets at replacement cost; and
 - (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation and the informed participation of those affected
- Restore or, where possible, improve the livelihoods and standards of living of displaced persons to pre-displacement levels
- Improve living conditions among physically displaced persons through the provision of adequate housing, including security of tenure at resettlement sites.

As it currently includes only partial data about the numbers of affected households (HH) and project affected peoples (PAPs) and provides actions and schedules for completion, the current document is a Land Acquisition and Resettlement Framework (LARF). It aims to enable the development of a conformant (LARP) for the Project.

This document focuses on the additional actions that will be required to create conformance with PR5. It identifies existing gaps and proposes processes for building the sorts of engagement, studies, negotiations and grievance management systems that will enable completion of the land acquisition in conformance with the EBRD requirements. It also proposes the appointment of a suitably empowered and qualified TA social manager, who will provide support for the resettlement process and through participation in construction planning and weekly construction meetings. They will intervene to support effective impact mitigation and guide conformant consultation, disclosure and grievance management.

This document should be read in conjunction with the following Project documents:

- ESIA
- Stakeholder Engagement Plan

1.2 Project Overview

The expansion and upgrade of the Danilovgrad-Podgorica section of the existing M-18 road (the Project) will comprise the widening of the existing road from two to four lanes over a distance of approx. 15 km, starting from the exit of the roundabout in Danilovgrad and ending in the suburb of Gornja Gorica in Podgorica. The Project incorporates the territories of two Municipalities located in the central region of Montenegro, namely Podgorica and Danilovgrad and their associated settlements that are located along the M-18 route. The following settlements /cadastre municipalities (CM) will be subject of expropriation: Beri, Baloci, Tolosi, Donja Gorica (Municipality of Podgorica) and Bandici, Curilac, Donji Zagarac, Glavica, Grlac, Jastreb, Novo Selo (Municipality of Danilovgrad).

The existing road has two-lanes (one lane in each direction) and is approximately 7m wide. The Project will expand the road by adding one additional lane in each direction (3.25 m wide each), as well as a central reservation (2 m wide), sidewalks (2 m wide) and a vegetated strip between the carriageway and the sidewalk of approximately 2 m in width. The widened road corridor will therefore be approximately 20-21m wide, apart from at road bridges over rivers where it may reduce. The Project will also incorporate the reconstruction of existing road bridges and the construction of parallel new road bridges over the following watercourses: River Susica bridge (75m long), River Sitnica the 'Komanski' bridge (66m long), the River Matica bridge (60m long) and the River Mareza bridge (15m long).

There will be 23 bus stops constructed on both sides of the upgraded road. A central barrier will be installed to discourage pedestrians from crossing the widened carriageway. Specific pedestrian crossings will mainly be located at roundabouts and intersections.

Roundabouts will be constructed to enable access onto the M-18, except at locations where intersections are required in accordance with planning documents. Connecting or access roads will also be constructed where required. Retaining walls will be placed at locations where the new lanes need to be cut into existing slopes to ensure slope stability and protect the roadbed. During the Construction Phase there will be three temporary construction sites in: Plana, at the intersection to Cafa and Baloce and at the Komanski bridge.

Workers will be housed in cities and towns so no land will be required for worker camps. Laydown areas and borrow pits etc. will be located in the expropriated area, so are not expected to require additional temporary land acquisition.

1.3 Need for the Project

Rehabilitation of the country's main road network is one of the strategic goals of Government of Montenegro. The expansion and upgrade of the Danilovgrad-Podgorica section of the existing M18 road (the Project) is therefore part of a wider programme of rehabilitation of twelve main road sections (with a total length of approximately 216.3 km).

The Project is aligned with the Spatial Plan of Montenegro (SPM) (2020), which outlines the development of road infrastructure in Montenegro. The Project is part of one of the corridors identified in the SPM as a section of the existing road network that should be improved:

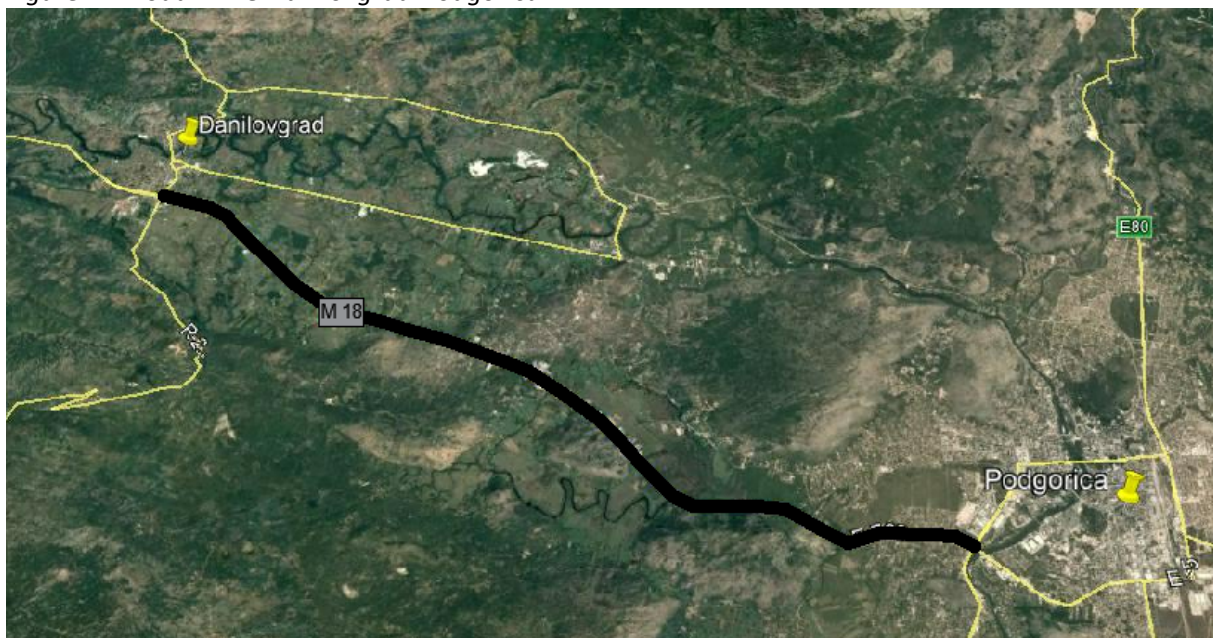
- **South longitudinal direction: Main Road for fast motor traffic: Bozaj – Podgorica – Danilovgrad – Niksic – Pluzine - Scepan Polje with connections to Niksic - Trebinje, Niksic – Bileca and Niksic-Gacko.**

The Danilovgrad-Podgorica section of the existing M18 road is characterised by high volumes of traffic and accidents are commonplace. Flood risk is high at several locations along this section of the M18, particularly within the Danilovgrad Municipality. The Project is intended to improve traffic flows (thereby reducing journey times) and road safety (for both drivers and pedestrians). Road drainage will be improved to reduce flood risk and run-off rates of contaminated water onto the surrounding land and into adjacent watercourses.

The entire Project was declared to be in the Public Interest by the Government of Montenegro in 2018 and is therefore subject to the Law on Expropriation. This means that the project falls under the definition of Involuntary Resettlement in PR5.

This document covers **only Section 2**, officially registered as “Rehabilitation and upgrade of the M-18 from Danilovgrad to Podgorica Road Section” (See Figure 1. further referred to as the **Project**). The Project is developed by TA in accordance to national spatial planning laws and regulations as well as EBRD requirements.

Figure 1 – Road M-18 Danilovgrad-Podgorica



1.4 Requirement for a LARP

Under Montenegrin law, expropriation is managed by the RED, under the oversight of the ministry responsible for the project, in this case the TA.

The European Bank for Reconstruction and Development (EBRD) is considering a sovereign loan of up to EUR 40 million to TA (Transport Administration of Montenegro) to finance the rehabilitation and upgrade of three Sections of the Country's main road network, including the Podgorica – Danilovgrad section of the M18. Since the Project is being considered for financing by EBRD, it is also required to demonstrate that it will be constructed and operated in line with the EBRD's Environmental and Social Policy (2014) and associated Performance Requirements (PRs) including PR 5: Land Acquisition, Involuntary Resettlement and Economic Displacement

As part of this, since the Project has been assigned as Category A (as it is located within a Key Biodiversity Area and will require land acquisition, resulting in economic displacement and some

limited physical displacement), the Bank requires the Project to undergo a detailed Environmental and Social Impact Assessment (ESIA) process with the resulting reports available for a minimum 120 days public disclosure and consultation period.

The TA hired a certified company in February 2017 to carry out an Expropriation Study using information from the project design team and information purchased from RED. This company has continued to provide valuation studies for the project in compliance with the Expropriation Law.

The TA appointed E&S Consultants (E3 and AF) to carry out a Socio-Economic Study (SES) and prepare the LARP. In June 2019, E3's scope of work was extended to include supplementary data collection and consultation with affected HH and PAPs. Because these consultations are not yet complete and supplementary data is still being collected and analysed, it is not yet possible to produce a compliant LARP.

1.5 Report Structure

The LARF is composed of seven main chapters and a number of supporting Annexes. The document is organized as follows:

The first part of the document (Chapters 2 and 3) describes the background, social context and current understanding of resettlement impacts. In Chapter 2 it includes legal and standards requirements for the Project and gaps between national laws and the EBRD requirements. This section finishes with a description of the current status of the expropriation process and a description of the overall approach that will be used to create conformance with PR5. It then proceeds in Chapter 3 to outline the current understanding of Project resettlement and livelihood impacts based on studies carried out so far. This chapter ends with an overview of the additional studies that will be required to consolidate the understanding of resettlement impacts and a brief discussion of key risks created by the current stage of the expropriation process, given the data gaps.

After this in Chapters 4 through 7 the document presents the current status of resettlement and livelihood restoration planning. It begins by reiterating the principles that guide the resettlement and expropriation process. It then presents (in Chapter 4) the current understanding of entitlements, the scale of each resettlement impact and the compensation and support options proposed for managing each option in the framework entitlement matrix. Because of the data gaps and the very limited consultation that has taken place so far, the entitlement matrix is necessarily unable to specify final numbers for entitlements and the compensation and support actions proposed may need to be refined, as no consultation and disclosure has occurred confirming the acceptability of the compensation framework with PAPs.

The following sections address the current status of consultation and disclosure and grievance management for the project (Chapter 5) and the existing monitoring indicators, reporting procedures and plans for external completion audit of the resettlement (Chapter 6). This is followed by Chapter 7, which consolidates the proposed actions, schedules and responsibilities for achieving a conformant LARP. The chapter ends with a presentation of the current status of costs for compensation and support measures, and highlights the significant unknowns, the need to include the costs of additional studies and engagement and the completion audit. The TA social manager is not included here, as the role is expected to be a Project role, rather than a resettlement only role.

Overall Chapters are organized as follows:

- Chapter 1. Introduction
- Chapter 2. Legal and Policy Framework for Land Acquisition and Resettlement.

- Chapter 3. Resettlement Impact Assessment
- Chapter 4. Resettlement Planning
- Chapter 5. Consultation, Disclosure and Grievance Management
- Chapter 6. Monitoring, Reporting and Completion Audit.
- Chapter 7. Plan for LARP production and current budget understanding.

2 LEGAL & POLICY FRAMEWORK FOR LAND ACQUISITION & RESETTLEMENT

This section begins by identifying national laws relevant to the LARP. It then presents an overview of the expropriation process and a summary of the expropriation requirements.

The following section outlines the EBRD requirements under PR 5 and a final section identifies the key gaps between Montenegrin Law and the EBRD requirements.

2.1 National Legal and Policy Framework

Several different bodies of legislation are relevant to land acquisition and resettlement in Montenegro. These include:

- Laws and regulations defining requirements for determining that a project is in the Public Interest and the subsequent requirements and processes for expropriation.
- Laws and regulations regarding land tenure and property rights.
- Additional laws and regulations relating to sustainable development and social welfare, that provide information on additional entitlements for specific groups under Montenegrin Law.

These laws are outlined in Table 1. (below) and the expropriation requirements and process is outlined in Section 2.2 and Section 2.3 (respectively).

Table 1 - Laws addressing physical and economic displacement in Montenegro

Law	Information disclosure and stakeholder engagement requirements
Laws and regulations on Public Interest and Expropriation	
Law on Local Self Government (Official Gazette No. 42/03, 28/04, 75/05, 13/06, 88/09, 03/10, 38/12 and 10/14)	According to the Law on local self-government (Article 28) local municipalities are responsible for defining/announcing that a project has been determined to be in the public interest for the expropriation process, when projects have a great importance at the local level.
Law on expropriation (Official Gazette No. 055/00, 012/02, 028/06, 021/08, 030/17, 75/18)	The Law on expropriation defines the processes and procedures related to property expropriation in the public interest, compensation mechanism, grievance mechanism as well as other issues related to the expropriation process (for details see Section 2.2 and 2.3.
Rulebook on Methodology for assessment of property value (Official Gazette No. 64/18)	The rulebook on the methodology for assessment of property value defines the methodology used for assessment of the property value. It also describes the institutional arrangements for property value assessment and purpose of the assessment.
Laws and regulations on Land Tenure and Property	
The Law on State Survey and Cadastre (Official Gazette of Republic of Montenegro, No. 29/2007, 32/2011, 40/2011 and 43/2015)	Establishes the Real Property Cadastre as a single public record, which contains, inter alia, data on expropriation.

<p>The Law on Spatial Planning and Construction of Structures (Official Gazette of Republic of Montenegro, No. 51/08, 40/10, 34/11, 47/11, 35/13, 39/13 and 33/14)</p>	<p>Regulates the system of spatial planning in Montenegro, the manner and conditions for construction of structures and other issues of significance for spatial planning and construction. The Law does not foresee that structures built without the necessary permits may be legalized and stipulates that such structures must be removed.</p>
<p>The Law on Ownership and Property Relations (Official Gazette of Republic of Montenegro, No. 19/2009)</p>	<p>Regulates ownership rights and other property rights. A significant provision of the Law is 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, not later than ten years from the date the construction was completed. In case the builder of a structure on land owned by another person was not conscientious, and the land owner opposed to such construction, the land owner may request to acquire the ownership right over the structure (but must pay the structure owner the construction value of the structure) or the removal of the structure from his/her land or to be compensated for the market value of the land.</p>
<p>Laws and regulations relating to sustainable development and social welfare</p>	
<p>Law on Construction (Official Gazette No. TBC)</p>	<p>In the case of the removal of an illegal object of basic residence, in accordance with the Law on Construction, the local self-government unit is obliged to the owner of the illegal object of basic residence, and members of his family, to provide alternative accommodation to the household.</p> <p>The alternative accommodation referred to in paragraph 1 of this Article shall be provided by: letting the apartment, giving compensation for rent, and otherwise, in accordance with the regulation of the local government unit.</p> <p>The manner in which the alternative accommodation is provided, or the type of alternative accommodation provided, is determined by the local government body who is responsible for providing alternative accommodation.</p> <p>The decision, referred to in paragraph 3 of this Article, shall be issued by the competent body of local government within 30 days from the day of enforcement, submitted to the competent inspection body for the purpose of executing the decision.</p> <p>Detailed conditions, manner, procedure and criteria for providing accommodation referred to in paragraph 1 of this Article shall be prescribed by the competent authority, local self-government body, with the prior consent of the Ministry.</p>
<p>The Law on social welfare and child protection (Official Gazette No. 27/13, 01/15, 42/15, 47/15)</p>	<p>The Law on social welfare and child protection enables social welfare payments and social service provision to specific vulnerable groups within Montenegrin society.</p>
<p>Law on social housing (Official Gazette No. 27/13, 01/15, 42/15, 47/15)</p>	<p>The social housing law envisages the provision of social housing for those households whose residential units are in poor conditions or for those who are unable to have residential units due to their low incomes.</p>

Law on adult education (Official Gazette No. 20/11, 47/17)	The adult education law addresses livelihood restoration by providing a legal framework for adult education through programmes and centres for vocational education.
Law on free legal assistance (Official Gazette No. 20/11, 20/15)	The law on free legal assistance provides legal assistance to vulnerable groups through Court departments, where people are able to access free legal advice provided by authorized lawyers.

2.2 Montenegrin Expropriation Process

- Public interest is established through a separate law, as a decision of the Government of Montenegro.
- The proposal for determining public interest, which must include information on properties that are to be affected and their registered owners, is submitted to the Government of Montenegro by the Beneficiary of Expropriation, through the responsible Administrative Authority (the Real Estate Directorate). The Beneficiary of Expropriation can be the state, municipality, state funds and public enterprises, unless otherwise determined by the law. The Government of Montenegro has to decide within 60 days of receiving the proposal. An administrative dispute can be initiated against the decision on public interest of the Government of Montenegro with the Supreme Court of Montenegro.
- Upon establishing public interest, the proposal for expropriation is submitted by the Beneficiary of Expropriation (in this case the TA), to the responsible Administrative Authority in charge of recording property rights, in the municipality where the affected property is located (RED).
- Certified contractors use a combination of cadastre records, aerial photograph-based approaches and ground truthing to identify land owners and the specific built assets land uses for all areas to be expropriated.
- Parallel processes disclose maps of the Project and the locations of land to be expropriated. Stakeholders can request changes to the project to limit the impacts of changes on them by submitting written requests, which are accepted or rejected.
- The proposal for expropriation is submitted together with a set of accompanying documents, including proof that funds / replacement properties needed for compensation are deposited in a special account of the Ministry of Finance.
- Owners of affected properties are individually invited to a hearing and notified about the submission of the expropriation proposal. The Real Estate Directorate passes a decision on expropriation (first degree), if the documentation is in order. The affected owners can submit an administrative appeal to the Ministry of Finance, which decides in the second degree, after which the decision becomes final.
- The final agreement can either be accepted or rejected by the owners, however, in either case under the 2018 Expropriation law the expropriation becomes legally binding at this point.
- Further (judicial) appeal can occur for agreements that have been rejected. However, the expropriation proceeds and the legal proceedings do not delay expropriation. Rather, they tend to concern issues of compensation amount.

- The Beneficiary of Expropriation proceeds with the payment of compensation or provision of replacement properties, after the signing of a compensation agreement or the decision on compensation becoming legally binding.

2.3 Expropriation Requirements

The Law on Expropriation (Official Gazette No. 055/00, 012/02, 028/06, 021/08, 030/17, 75/18) focuses on providing compensation, or in specific circumstances replacement assets, for any affected property needing to be expropriated in the public interest. It addresses physical and economic displacement for those stakeholders who have formal legal rights according to the law. The expropriation law also defines the requirements and agreements related to expropriation and compensation. The Rulebook on Methodology for assessment of property value (Official Gazette No. 64/18) further regulates expropriation.

Key aspects of the Law on Expropriation include:

2.3.1 Compensation and entitlements:

- The Law requires fair compensation for land, which is defined on the basis of the market price for the same type of property in the same or similar area, within the municipality.
- Compensation can be reduced to account for increased property values linked to the implementation of the Project.
- It envisages providing appropriate cash compensation for those stakeholders that are affected, except in specific circumstances, where income is derived from the land and agricultural assets on it, where replacement land of the same class and land use can be provided.
- It enables affected stakeholders to request compensation for 'orphaned' land.
- It does not envisage compensation for those objects that are informally built or for informal incomes.
- Valuation is carried out through a standardised process defined in the Rulebook on Methodology for assessment of property value.

2.3.2 Process issues and engagement:

- The Law allows the beneficiaries of expropriation to request the right to access land/property in cases where compensation has not yet been executed.
- The Law defines processes for disclosing the area to be expropriated and for receiving requests for changes to the Project to limit impacts.
- The Rulebook provides guidance on the process of measurement and valuation that is to be used in determining compensation value and any other entitlements.
- The Law defines processes for informing owners about the compensation assessment and enables them to attend a court hearing to request changes to the compensation amount.
- The Law provides for administrative and judicial processes to be used in the case of any dispute regarding expropriation and the amount of compensation provided.
- Those who have formal legal rights are informed throughout the expropriation process (i.e. passing of the decision on public interest; before the decision on expropriation is passed, the municipal office in charge of expropriation has to invite the affected person with formal legal rights to a meeting to present any facts which may be relevant for expropriation).
- Some resettlement-related issues, including disruption to utilities and providing support for informal housing loss and for assisting where livelihoods may be impacted are not included in the expropriation law but fall under the mandates of different ministries and municipal departments. Clear processes for coordinating these responsibilities are not specified in the law.

2.4 EBRD Requirements

Land acquisition and resettlement issues are defined in the PR5 of the EBRD Environmental and Social Policy. Based on that Tranche 3 will follow EBRD PR5 requirements. As the EBRD began appraisal of this project in 2017, conformance with the 2014 Performance Requirements is required. Key PR5 objectives are:

- To avoid or at least minimise involuntary resettlement whenever feasible by exploring alternative project designs;
- To mitigate adverse social and economic impacts from land acquisition or restrictions on affected persons' use of and access to land by:
 - (i) providing compensation for loss of assets at replacement cost,
 - (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation and the informed participation of those affected;
- To improve or, at a minimum, restore the livelihoods and standards of living of displaced persons to pre-project levels, through measures that can be enterprise-based, wage-based and/or enterprise based, so as to facilitate sustainable improvements to their socio-economic status;
- To improve living conditions among displaced persons through provision of adequate housing with security of tenure at resettlement sites.
- The standards require well designed studies to identify the full range of resettlement and livelihood impacts and the identification of groups that may be differentially impacted or may require additional support measures to enable their full participation in the resettlement process.
- The standards require the proponent to consult with affected persons and communities and facilitate their early and informed participation in decision-making processes related to resettlement.
- The grievance mechanism should be established as early as possible in the process in order to timely receive and address specific concern about compensation and relocation that are raised by displaced persons and/or members of host communities, including a resource mechanism designed to resolve disputes in an impartial manner.
- To monitor and, once complete, audit the land acquisition, resettlement and livelihood restoration process.

Detailed requirements are specified in the EBRD Social and Environmental Policy and Performance Requirement 5 (2014), including requirements for consultation, disclosure, grievance management, resettlement studies, and outlining a variety of entitlements that must be provided. Requirements

for clients to provide additional guidance and support to government implementation agencies (in this case for TA to support RED) are also outlined.

2.5 GAP Analysis between National Legislation and EBRD Requirements

While some aspects of Montenegrin expropriation law are aligned with the EBRD Policy (2014), there are a number of important gaps, which will require supplementary actions to create compliance. These aspects are analysed in the Gap Analysis Matrix included in Appendix 1 and are summarised below.

2.5.1 Procedural issues:

- 1 The Montenegrin expropriation law does not constitute a negotiated agreement approach in the sense that PR5 proposes;
- 2 A socio-economic survey is not required under the law;
- 3 The range of assets included in valuation studies and compensation calculations does not include the full range of entitlements under PR5;
- 4 Although the valuation criteria seek to identify a fair price, some aspects, including the ability to reduce the value if remaining property value increases may mean that replacement value can be undermined;
- 5 The Law on Expropriation provides only for compensation for loss of assets and does not prescribe other types of assistance to displaced persons or communities. However, the Law stipulates that the financial and other personal/family circumstances of the previous owner must be taken into consideration if such circumstances are “of significance to the livelihood of the owner” (large number of household members, number of household members earning income, the health status of the household members, monthly income of the household, etc.);
- 6 Impacts specific to women and other groups experiencing differential impacts are not identified in the process;
- 7 The implicit cut-off date under Montenegro law (at the expropriation decision) does not coincide with the EBRD cut-off date and the requirement to specifically disclose the cut-off date is absent.

2.5.2 Resettlement losses and entitlements:

Physical resettlement

- 8 Those persons who do not have legal rights or claims on the land are not subject of compensation or assistance under Montenegrin laws, including resettlement to adequate housing and livelihood restoration assistance.;
- 9 Informal residential structures are not subject of compensation. Some other laws, including the Construction Law include provisions that can fill this gap;
- 10 The process focuses on owners and does not adequately identify formal or informal land users and their losses;
- 11 Differential impacts on specific groups are not identified.

Economic resettlement

- 12 In case of economic displacement affected persons (including those with informal incomes/livelihoods) are not entitled to livelihood restoration assistance. However, there is potential to provide livelihood support under other laws;
- 13 Informal business structures are not subject to compensation;
- 14 The process focuses on owners and does not adequately identify formal or informal land users and their losses;
- 15 National legislation does not require development of resettlement/livelihood restoration framework and plan that will be based on the results of the SES, supplementary data collection and resettlement impact assessment.

2.5.3 Consultation and disclosure:

- 16 Consultation and disclosure processes under Montenegrin law do not aim to achieve informed participation in decision-making processes.
- 17 National legislation does not require consultations with affected persons regarding compensation principles and processes;
- 18 Those persons who do not have legal rights or claims on the land are not included in the consultation process;
- 19 Additional support that may be required to enable full participation in the expropriation process are not identified;
- 20 There is no requirement for public disclosure of the LARP;
- 21 The Law on Expropriation does not foresee provision of special support to vulnerable or differentially affected groups. However, it can be provided in the framework of other national laws;
- 22 National legislation does not require establishment of an independent and free project grievance mechanism that will address land acquisition complaints and grievances. Only 8 days are given to lodge a formal appeal against an expropriation decision.

2.5.4 Monitoring and Audit:

- 23 Resettlement/livelihood restoration process are not monitored and evaluated under Montenegrin law.
- 24 An independent audit is not required.

2.6 Current status of Land Acquisition

An independent assessor engaged by the TA in accordance with national Law on Expropriation commenced a process of recording and assessing the value of the crops, trees and objects that are set in the project footprint which will be acquired along with the land beneath. This process began in May 2019 and documents the specific assets that each household will receive compensation for through the Montenegrin expropriation process.

According to the information provided by the expropriation authority, so far 349 expropriation cases have been opened out of a total number of 551 expected cases. Some 90% of these owners appeared at their hearing, while 10% did not respond. Some of these households were unreachable

due to temporary or permanent relocation to other places, while others did not respond despite receiving notice. In these cases a second notice of hearing will be delivered.

A total of 76 people have so far received disbursement of compensation payments. Several owners requested complete expropriation of the total land area of their land parcel in order to avoid creating orphaned land. Some affected owners requested review of the price for compensation proposed in the Report on the Assessment on the Property Value, conducted by the official assessor, on demand of the Expropriation Authority. So far, no complaints have been registered on the issued Expropriation Decision.

2.7 Approach for addressing gaps between the Montenegrin process and PR5

In order to meet PR5, supplementary data collection and consultation and disclosure process will be required, in parallel with the ongoing expropriation process. The supplementary process will identify all resettlement and livelihood impacts arising from the expropriation process and will define a series of additional entitlements, compensation and support measures, including livelihood restoration measures that will be implemented by RED, the TA and other relevant government ministries and agencies in order to achieve full conformance with EBRD PR5. Additional consultation and disclosure processes will also be included, alongside a monitoring and reporting framework and a completion audit.

Importantly, it is essential that expropriation-related construction activities (including land clearance and demolition of structures) do not proceed before effective mitigation measures are in place that have been disclosed and consulted with PAPs and where PAPs have participated in decisions that affect them.

The best way to ensure this is to appoint a suitably qualified and empowered TA social manager for the Project, who will oversee expropriation actions by RED, consultant activity and who will participate in construction planning and weekly construction meetings. This person should be an experienced social specialist, with an understanding of the EBRD requirements and of effective impact management, consultation and disclosure processes, rather than a bureaucrat. They should be empowered to prevent actions that will cause significant social impacts, without appropriate mitigation being in place that has been consulted with PAPs through respectful engagement processes. They can also coordinate impact mitigation measures among Ministries, agencies and consultants. This role is expected to be a Project role, rather than a resettlement role, however, much of the manager's initial focus will need to be on resettlement.

3 Resettlement Studies and Impacts

3.1 Rationale

Planning a land acquisition and resettlement process in accordance with PR5 requires an initial understanding of the type, full range and significance of resettlement and livelihood impacts arising from the land acquisition process, so that the full range of impacts can be addressed.

It also requires an understanding of the differential ways that the project will impact on different groups of people and on women. The EBRD requirements refer to these differential impacts on groups in terms of vulnerability that may be either exacerbated by the resettlement process or that can be arise from the resettlement process. PR5 requires targeted support measures to mitigate for differential impacts as well as consideration of targeted support measures that may be required to enable full participation of affected HH and PAPs in consultation and disclosure and compensation and mitigation processes and actions.

Vulnerability is not a helpful term in Montenegro, so, this document uses the terms 'differential impacts', 'differentially affected group' and 'targeted support'.

3.1.1 RED data collection and impact assessment

The RED-managed expropriation process, overseen by the TA uses a standard methodology for identifying, valuing and compensating the specific sub-set of resettlement impacts linked to loss of land (taking into account land use and its class) and loss of physical assets (eg. houses, business structures and improvements to the land (eg. parking areas).

3.1.2 Additional and supplemental data collection

In addition to the above, E3 consultants carried out a socio-economic survey (SES), as required by the EBRD in March 2019 to provide data for understanding the project social context and hence the full range of resettlement impacts anticipated. They also aimed to identify differentially impacted groups, in order to identify appropriate targeted support measures. Work continues to refine and clarify entitlements, with an emphasis now on PR5 compliance.

3.2 Chapter Organization

This chapter begins with a presentation of the social context for the resettlement (Section 3.3) followed by two sections (3.4-3.5) describing the two distinct data gathering processes that have occurred and their respective results:

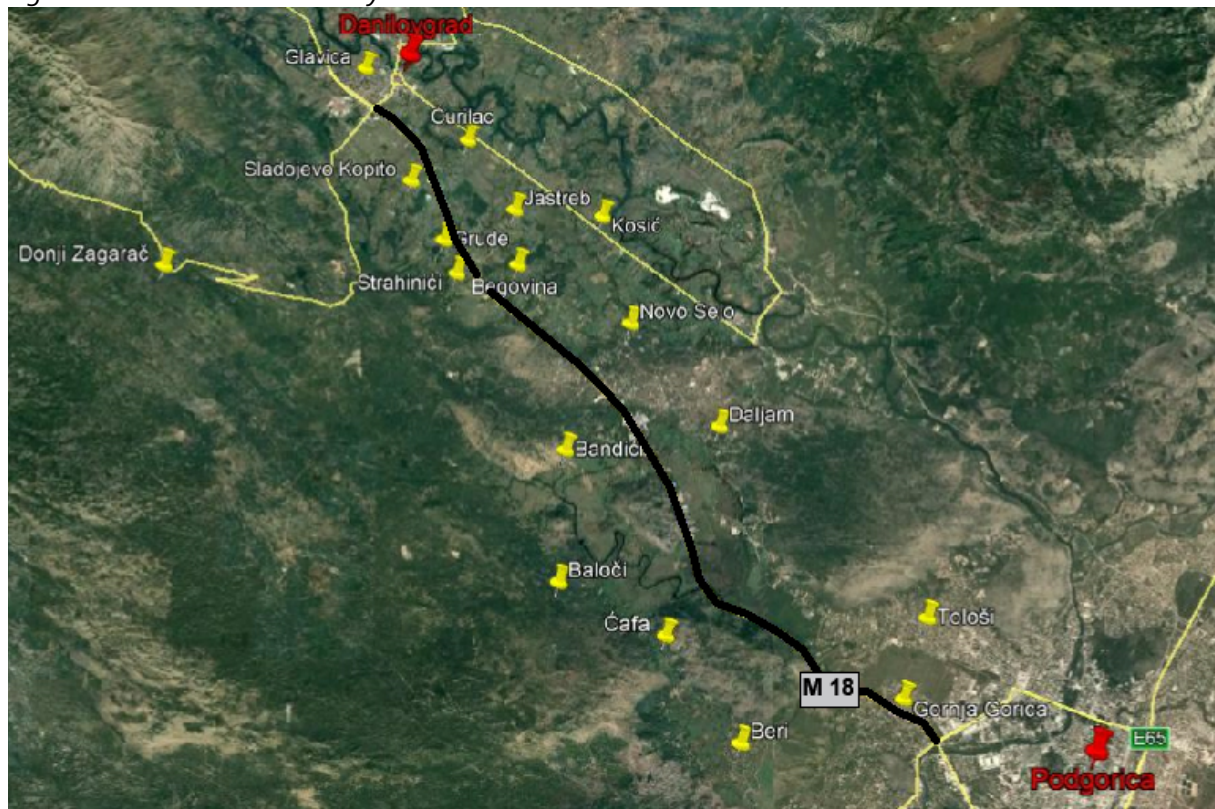
- Expropriation study
- The SES

These sections are followed in Section 3.6 by a summary of the current understanding of resettlement impacts identified for the Project. Sections 3.7 and 3.8 identify key ongoing data gaps to be filled in the supplementary data gathering process and the associated risks created by the current approach.

3.3 The Project Plan & Land Use Context

The Project section is 15.1km in length starting from the exit of the roundabout in Danilovgrad (114km+500) to the suburb of Gornja Gorica in Podgorica (129km+632). The Project affects territories in two municipalities located in the central region of Montenegro: the municipalities of Podgorica and Danilovgrad and their respective settlements located near the M-18 route. According to the Main design and the Expropriation study, the following settlements-cadastral municipalities (CM) will be affected by expropriation (see Figure 2): Beri, Baloci, Tolosi, Donja Gorica (Municipality of Podgorica) and Bandici, Curilac, Donji Zagarac, Glavica, Grlac, Jastrebo, Novo Selo (Municipality of Danilovgrad).

Figure 2 - Settlements in vicinity area



The existing road has two-lanes (one lane in each direction) and is approximately 7m wide. The project involves widening the road to two-lanes in each direction (3.25m each), middle/central reservation (2m), sidewalks (2m) and a green belt (vegetated strip between carriageway and side walk of approx. 2 m). The widened corridor will be approximately 20-21m wide, apart from at bridges where it may be reduced. A right of way (RoW), 2m on either side of the road is required under Montenegrin law and the RoW must be clear of buildings and land use.

Road widening will require widening of bridges or new bridges to be constructed across the existing man-made and natural watercourses of the Sitnica and Susica rivers. Intersections will include 7 roundabout intersections, where the road is connected to local roads in the vicinity of settlements and bus stops will be positioned on both sides of the road near these roundabouts. Access to the road from neighbouring land and settlements will be retained in line with current provision as far as possible. A central barrier will be installed as part of the Project in order to discourage pedestrians from crossing the widened carriageway. Pedestrian crossings will mainly be located at the roundabouts and intersections.

The existing Danilovgrad-Podgorica road passes mainly through areas covered in grasslands and shrubs with limited modification and agricultural land, including scattered areas of vineyards and

residential housing in the surrounding rural and suburban settlements. The northern section of the road runs through areas in which scrub and sparse forest represent the dominant types of land use and the southern end of the road section. Closer to the urban area of Podgorica (i.e. the section which runs towards the suburban settlement of Gornja Gorica) the road passes through areas where anthropogenic land use is predominant.

The land take will consist of small roadside parcels of land. The types of land use mean that some residential houses will be affected, some businesses will need to be moved and most will lose parking lots and associated infrastructure. Agriculture has decreasing importance in the region, though some HH still depend partially on production for income and/or subsistence. Utilities will be relocated during construction, which may cause temporary disruption to PAPs and the broader community.

3.4 Expropriation Study

3.4.1 Study approach

Under Montenegrin Law, an Expropriation Study must be carried out as an initial step in the expropriation, in order to identify all land owners potentially affected by the expropriation process. The study was based on existing official records of the properties and their owners and was carried out by a certified company in February 2017, based on information purchased from RED. A version of the expropriation study registry containing non-confidential information for affected privately owned plots (for both companies and individuals) to be acquired for the Project, is provided as Appendix 2 of this document. Complete land ownership data includes confidential information and shall not be publicly disclosed at any time by EBRD or TA.

In addition to the initial cadastre study, the expropriation study continued to include triangulation between the cadastre and field and aerial photo studies to identify the land use for each parcel to be expropriated and to assign a specific quality parameter that would be used later for valuation. This has been described in some places as developing an asset inventory, however, the level of engagement with PAPs, if any, during these studies is unknown and some PAPs have complained (to consultants) that a proper asset inventory has not been carried out.

3.4.2 Results of expropriation study

The expropriation study database created for the purpose of this project (Appendix 3), contains data on the following:

- Land Owner
- Cadastral Municipality;
- Type of land;
- Land Class;
- Land Parcel number;
- Area to be acquired (m²);
- Objects to be acquired on parcels

The following table provides an overview of the data gathered with Census and it treats data in regards of the type of land and number of parcels that are to be acquired for the purpose of this project, as well as the figures of extent of expropriation.

Table 2 – Overview of land and ownership structure

Ownership status	Number of parcels	Affected area (m ²)
Total amount of land	551	186.935
Private individuals	474*	154.198
Legal entities (Private Companies)	77	32.737

* - This is the total number of private plots according to the cadastre, although it appears that some plots have more than one owner. This will be investigated and finalized in the LARP.

The expropriation study identified a variety of different land uses and use types varying from infertile and rocky land, forest, vineyard and back yard, according to Montenegrin standards (see Table 3).

Table 3 – Overview of land and ownership structure

Type of land	Total		Private Individuals		Legal Entities	
	Number of parcels	Affected area (m ²)	Number of parcels	Affected area (m ²)	Number of parcels	Affected area (m ²)
Backyard	27	2541	23	2393	4	148
Meadow	237	73505	197	52205	40	21300
Field	63	13786	57	11799	6	1987
Orchard	16	2931	16	2931	0	0
Pasture	85	20384	80	19601	5	783
Infertile land	22	5208	17	5098	5	110
Uncharted road	7	394	4	216	3	178
Forest	81	61441	72	54784	9	6657
Vineyard	4	761	3	756	1	5
Business backyard	6	1995	2	426	4	1569
Rocky land	3	3989	3	3989	0	0

Finally, the expropriation study made an assessment of the local market prices for construction and purchase of different land uses and classes (see Table 4). In addition, local market prices for construction were determined (see Table 5 (below)). These values were not generated in consultation with affected HH.

Table 4 – Compensation price for land

Type of land	(EUR/m ²)							
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6	Class 7	Class 8
Backyard	30							
Meadow		25	30	25	20			
Field	25	25	35	30	25		25	
Orchard		25	30	25				
Pasture	32	30	25	20	18	21	21	
Infertile land	30							
Uncharted road	25							
Forest		25	23	20	15	15		
Vineyard		31	25	15				
Rocky land	13							
Business backyard	25							

Table 5 – Market price for construction

STRUCTURES	(EUR/m ²)
Auxiliary structures	300
Hotel and dwellings	800
Other structures	250

3.5 Socio-Economic Survey

3.5.1 Study Approach

This section summarises the process and findings of the SES. Appendix 4 contains the full data from the SES and associated impact assessment. Additionally Appendix 5 includes photos of all affected businesses and informally built houses.

The consultants who conducted the SES carried out an on-site walk along the alignment of the road and verified the validity of most of the received landowner register from the TA.

The SES proper was conducted in the period of 9-14 March and amended on 13-16 May 2019, by four professional and experienced interviewers–surveyors. It aimed to gather information on the range of resettlement impacts that would be experienced by a subset of households and business defined as being “critically impacted”. Critical impact was determined for those HH where:

- Part of the land-owner’s backyard is affected
- The owner’s dwelling is affected
- The expropriation zone passes very close to the dwelling
- Business premises and property assets (parking, fence, etc.) are affected on site
- Significant amount of agriculturally activate land to be acquired (more than 50% of the parcel)

The sample included both households and businesses that were expected to experience physical and economic or only economic resettlement. It aimed to interview 107 owners, 22 business and 85 private HH, however, 3 business and 14 HH couldn’t be located or refused interview. Interviews with less critically affected HH were substituted for missing HH.

The study reported on information on households including:

For Private HH:

1. Number of HH members.
2. Age of interviewee.
3. Key occupations.
4. Key income sources.
5. Education level
6. Income level.
7. Types of crops grown.
8. Illness and social payments.

A series of 5 informally built houses were identified and an attempt was made to interview the occupants during the study. Photos and aerial photos were studied for each of these HH.

For Businesses:

Data reported from the study included:

1. Ownership (local, national, international)
2. Number of employees.
3. Importance of road access.
4. Expected impacts of the road project on the business.

Photos were taken to document the relationship between the business and the road.

3.5.2 Socio-economic survey results

The limited response to the information collected in the SES was of limited use in identifying the full range of physical and economic resettlement impacts or for identifying differential impacts on specific groups.

Overall the most useful data produced by the socio-economic survey was the information from photos of informal houses and businesses, documenting their relationship with the road. This enables a better understanding of the sorts of resettlement impacts that are likely for the owners, occupiers and employees of these buildings. The following sections summarize other useful data from the SES.

For Private Households

The SES identified a wide range of economic activities, mainly in different types of paid employment and a relatively high percentage of pensioners (15%) were interviewed. The data suggests that a small number of households rely, at least in part on agriculture for income. No information was collected regarding land users who are not registered owners (e.g. renters or family of owners).

The data indicate that there may be differentially impacted categories of people impacted by the road project including:

- Roma HH;
- Older individuals (many interviewees were over 60 years);
- Households with limited disposable income (households reported monthly incomes, as low as, less than 300 Euros);

Five informally constructed houses were identified. Only one of the owners was willing to be interviewed. He produced documentation showing that he had legalised his house and that it should be on the cadastre. Three Roma households could not be interviewed due to language issues and the absence of men at the site able to respond to questions. The fifth house owner informed the team that all communication with the project should be directed to his lawyer as he has ongoing legal proceedings regarding the expropriation. At least two of these houses (the two Roma houses closest to the road) may be physically displaced by the Project.

For Businesses

More complete information was collected for business. Overall 17 of the 22 business owners/operators were interviewed and all 22 properties were photographed. Most of the businesses are retail businesses or retail services (e.g. restaurants, the hotel).

For Hotel Pejovic, which will be physically displaced, the study identified that two HH will be impacted: the hotel owner who is a pensioner and the hotel manager and his wife, who will lose their home and the manager's job.

For other businesses most of the land to be lost is currently occupied by parking lots, although there are some small buildings, walkways, shrubs and fences etc. Two petrol stations will need to be, at least partially, rebuilt, it is unclear whether this will entail moving underground storage tanks and environmental clean-up. Most of the businesses are set back from the road and impacts will be limited. A few of the businesses will lose most of their parking areas and the final location of the buildings will be very close to the road. This may lead to noise and air pollution impacts and may also require reconfiguration of the businesses.

3.6 Land Acquisition Impacts

The expropriation study and the SES provide some quantitative information about the numbers of affected HH and their assets, as well as qualitative information on the scale and types of resettlement impacts that can be anticipated for the Project. In addition, they provide some indications of probable and possible impacts and areas, where additional data needs to be collected.

Table 6 (below) provides a summary of the current state of understanding of the resettlement impacts at the Project. Physical displacement data are presented first, followed by economic displacement data. The data are organized according to expropriation study data and SES data, as the expropriation process is expected to run ahead of and separate to later supplementary processes.

Table 6. Summary of current understanding of resettlement impacts

Impact	Expropriation Study Information	SES Information
Physical Resettlement: Overall there will be only a very limited amount of physical resettlement caused by the Project. The design has avoided private land and buildings as much as possible.		
Physical resettlement of private house.	<ul style="list-style-type: none"> Some residential houses will be affected. Replacement of house structures is anticipated in the study at a price of 800 EU/square metre. E3 consultants inform that, under the construction law (managed by the Ministry of Sustainable Development), the Roma HH are to be offered replacement housing. 	<ul style="list-style-type: none"> At least 2 Roma HH, living in informally built houses of apparently good quality will be physically resettled. The ESIA notes that 5 private houses will be resettled. This information needs to be confirmed.
Physical resettlement of businesses.	<ul style="list-style-type: none"> Three main business structures will need to be removed or partially removed. Replacement of the building structure is anticipated in the study at a price of 800 EU/square metre. 	<ul style="list-style-type: none"> Only one business (the Hotel Pejovic, will be physically resettled. The hotel is home to two HH: its pensioner owner and to the husband and wife team who manage the hotel. It is possible that more people reside in the hotel. This has yet to be confirmed.
Additional impacts of physical resettlement		<ul style="list-style-type: none"> Replacement housing may not be immediately available to physically resettled HH. Social cohesion may be affected as communities may be dispersed.
Economic resettlement: Scale of permanent economic resettlement is expected to be small, but is not yet fully understood. Temporary economic impacts will be widespread among businesses.		
Business assets: Most business assets to be lost are parking lots and related auxiliary infrastructure.		
Business backyard, road, etc	<ul style="list-style-type: none"> One gas station will be completely demolished (IK REAL) and the canopy of one other gas station will be demolished. The compensation associated with this will be defined in the LARP. 1569 m² of business backyard will be lost to the project. This is listed as belonging to 2 parcels, which doesn't agree with information suggesting that nearly all properties have parking areas. 	<ul style="list-style-type: none"> Most losses will be parking lots. In some cases these will need to be rebuilt. For some businesses the configurations of shop and restaurant fronts and parking lot will not be viable without reconfiguring them. This will require extra investment. This is expected to affect a small number of businesses. Some of these businesses may also suffer from significant noise disturbance from the proximity of the new road, requiring reconfiguration or noise

Impact	Expropriation Study Information	SES Information
	<ul style="list-style-type: none"> 179 m² of uncharted road will be lost to the project. Prices have been proposed for compensation based on replacement cost. 	<ul style="list-style-type: none"> barriers. Land used by the Roma metal recycling business will be lost. It is anticipated that metal can be moved. Additional land that is used for (eg. crops and pastures) may be lost to rebuilt parking lots etc. There may be reduced income to businesses while buildings and parking lots are rebuilt and reconfigured. Workers may be temporarily laid off during rebuilding.
Crops, meadows and pastures.	<ul style="list-style-type: none"> 21,300 m² of meadow will be lost 1987 m² of fields will be lost 783 m² of pasture will be lost 6657 m² of forest will be lost 5 m² of vineyard will be lost Prices have been proposed for compensation based on replacement cost. 	<ul style="list-style-type: none"> It is unknown whether any of these losses may have additional impacts on the business.
Infertile land	<ul style="list-style-type: none"> 110 m² of infertile land will be lost Prices have been proposed for compensation based on replacement cost. 	No resettlement impacts anticipated.
Private household assets and livelihoods: The extent of livelihood impact from loss of assets from private HH is unknown.		
Backyard and roads	<ul style="list-style-type: none"> 2393 of backyard will be lost in 23 parcels 216 of uncharted road will be lost in 4 parcels 	<ul style="list-style-type: none"> The scale of losses from backyards, which may be important to subsistence is unknown.
Crops, meadows and Pastures	<ul style="list-style-type: none"> 2931 m² of orchard will be lost in 16 parcels 19601 m² of pasture will be lost in 80 parcels 756 m² of vineyard will be lost in 3 parcels 54784 m² of forest will be lost in 72 parcels 11799 m² of fields will be lost in 57 parcels 52202 m² of meadow will be lost in 197 parcels 	<ul style="list-style-type: none"> The extent to which crop losses may be important to income is unknown. Though few HH identify agriculture as an income source. The extent to which crops may be important for HH subsistence is unknown. The extent to which pasture losses may be significant to small animal raising is unknown. These types of losses may be lengthy due to the time taken for crops to reach maturity and start producing.
Infertile and rocky land	<ul style="list-style-type: none"> 3989 m² of rocky land will be lost 5098 m² of infertile land will be lost 	<ul style="list-style-type: none"> These losses are not expected to be significant.

3.7 Gaps in the data and understanding of resettlement impacts.

A full picture with regards to resettlement will emerge when detailed alignment and civil engineering plans are available. Information that will need to be updated at that point includes the following:

a) For Businesses

- a. Understand the specific needs of businesses that will need to reconfigure their business infrastructure to adapt to the proximity of the new road to their shop and restaurant fronts.
- b. Understand whether additional noise barriers will be needed to maintain businesses.
- c. Understand whether additional asset loss will affect businesses.
- d. Ensure that there are no additional long-term hotel residents who will be physically resettled.
- e. Specify the numbers of employees who will be temporarily affected by business closures during reconfiguration.

b) For Private HH

- a. Specify the exact numbers of HH and persons who will be physically displaced by the project. At least 4 HH will be displaced, but more may also be impacted.
- b. Understanding the extent of livelihood impacts from loss of land, crops, backyards and pasture for private HH.
- c. Understanding differentiated resettlement impacts that may require targeted support, eg on elderly HH, on women etc.
- d. Understand targeted support requirements to enable full participation of all PAPs in consultation and disclosure and expropriation and resettlement-related activities.

Specific data that will need to be collected include:

- Details of physical and economic displacement impacts on the two Roma households living informally on government land are not yet understood.
- Detailed land-use data for private HH and businesses that will enable identification of any significant livelihood impacts relating to their land loss.
- Information about the final configuration of businesses close to the existing road, so that the need for reconfiguration and noise barriers can be ascertained.
- Identification of any affected land users, as opposed to land owners. So far only employees of businesses have been identified in this category.
- Information about differential impacts on women and other differentially affected groups.
- Information about targeted support that may be needed to ensure full participation of all PAPs in the resettlement consultations and in all resettlement processes.

3.8 Finalizing the LARP

The outstanding data gaps will need to be addressed through a supplementary data collection exercise in coordination with a supplementary consultation, disclosure and engagement process with PAPs, as part of the process to finalise the LARP. It should begin by consolidating all existing data into a single database. From this a data collection process can be developed to verify existing data and collect supplementary data required. It should take the form of a census-level (ie all affected HH) census / supplementary SES and will use and triangulate existing asset data from the expropriation study with any information that can usefully be extracted from the SES to identify:

- i) Any additional affected HH who are land or house / structure users and employees rather than owners;
- ii) Specific livelihood impacts;
- iii) Differential impacts that have not yet been understood;
- iv) Targeted support needs for consultation and resettlement participation;
- v) Detailed information for any HH to be physically resettled.

The census / supplementary SES should be structured to enable a streamlined study for HH that are the least affected and a more in depth study for the most impacted HH. It should be based on semi-structured interviews or focus groups aiming to identify potentially important differential impacts from the Project.

The study should be carefully designed to capture **all** data required and ideally to provide a useful baseline, against which resettlement outcomes can be compared in the completion audit. Proper survey design including testing and review, as well as training the survey team to ensure consistent approach and documenting will be needed. The study design should involve both national consultants familiar with cultural norms and values and consultants familiar with the design of studies for capturing resettlement and livelihood baseline data, for understanding livelihood impacts and for pinpointing relevant differential impacts.¹

For the Roma households, interviews should be carried out in their own language with care to ensure consistency of approach and cultural sensitivity.

For businesses, additional data collection can use either a different survey, designed specifically for businesses or it may be more appropriate to collect data on potential additional impacts in focus groups and participatory workshops, where ideas can be brainstormed and collected on specially designed forms, for clear and accurate documentation.

¹ The study may be more palatable, if it is presented as a study reviewing entitlements, which have already been disclosed in stakeholder engagement meetings. This would provide a clear motivation for PAPs to collaborate with another study. Where HH have already been interviewed in the SES, any useful data from the SES should be pre-filled in the census and briefly reviewed, to avoid repetition and time wasting.

4 Framework Resettlement and Livelihood Restoration Plan

4.1 Introduction

A full resettlement management and livelihood restoration plan rests on complete data and effective engagement with affected HH, to develop a shared understanding of impacts, entitlements and compensation and support measures. In the absence of these, this section provides the framework for developing a complete set of resettlement mitigation and livelihood restoration entitlements and measures for the Project.

In this framework document, numbers are mostly incomplete; costs have not been consulted with communities and the acceptability of options is unknown. Some impacts have been identified, others may be missing: some are conjectural. Entitlements may need to be tailored to the setting, but are designed to conform with PR5 requirements. The information in this framework will be consolidated through the census / supplementary SES actions described in Section 3 (above) and through consultation and disclosure activities, described in Section 5 and monitoring actions in Section 6 (below). The chapter is designed so that much of the content can be updated and reused in the LARP.

4.2 Key Compensation and Assistance Principles

The LARP needs to achieve conformance with EBRD PR5. Creating conformance is challenging because the ongoing expropriation process lacks many key aspects of a PR 5 conformant process, supplementary processes are lagging behind expropriation and concern is building over inconsistent compensation that some PAPs do not consider adequate, implemented in an opaque and rapid manner without easily accessible or effective recourse.

Specific actions to rehabilitate the existing process to conform with the EBRD requirements will focus on:

- Rehabilitating the existing expropriation using a negotiated approach, where expropriation mechanisms are employed as a last resort, rather than the preliminary mechanism, as recommended in PR5 para 10;
- Creating a consultation and engagement process with PAPs that involves transparent disclosure regarding entitlements and supports, and enables participation in developing effective mitigation of resettlement impacts and livelihood restoration (PR5 Para 12);
- Designing consultation and engagement mechanisms and supports that enable obstacles to full participation to be overcome (PR5 Para 13);
- Ensuring that an accessible and effective grievance process is available that provides responses in a timely manner, while still enabling access to legal remedy. This will include recourse to an impartial resolution mechanism (PR 5 Para 12);
- Building on and verifying existing data to create a reliable census and social baseline to identify all affected HH, inventory their affected assets and their full range of resettlement and livelihood impacts and entitlements (PR5 Paras 14 and 15).;

- Reviewing all payments and entitlements so that compensation, livelihood restoration and support follows the principles of compensation at full replacement cost, the principles of impact mitigation and the specific requirements of PR5 paras 17-20 and 25-40.
- Designing and implementing monitoring, reporting and an external completion audit per PR5 Paras 23 and 24.

4.3 Expropriation Process Progress

An independent assessor engaged by the TA in accordance with national Law on Expropriation commenced a process of recording and assessing the value of the crops, trees and objects that are set in the project footprint which will be acquired along with the land beneath. This process began in May 2019 and documents the specific assets that each household will receive compensation for through the Montenegrin expropriation process.

According to the information provided by the expropriation authority, so far 349 expropriation cases have been opened out of a total number of 551 expected cases. Some 90% of these owners appeared at their hearings, while 10% did not respond. Some of these households were unreachable due to temporary or permanent relocation to other places, while others did not respond despite receiving notice. In these cases a second notice of hearing will be delivered.

A total of 76 people have so far received disbursement of compensation payments. Several owners requested complete expropriation of the total land area of their land parcel in order to avoid creating orphaned land. Some affected owners requested review of the price for compensation proposed in the Report on the Assessment on the Property Value, conducted by the official assessor, on demand of the Expropriation Authority. So far, no complaints have been registered on the issued Expropriation Decision.

Recent reports from the field suggest that some PAPs are unhappy with the process that has been implemented to date. They do not feel that assets have been correctly identified, that prices are fair, and they find compensation amounts to be inconsistent. The E3 team appear to have been able to develop positive relationships with affected HH. They worked with TA and municipal officials to carry out two round table discussions on the 25th and 26th of June in Bandici in the Municipality of Podgorica and in Danilovgrad. Fifty eight community and business representatives (mainly men) attended the Danilovgrad meeting and seven raised concerns regarding compensation and the land acquisition process, with one regarding the future viability of a Petrol station after land acquisition. The land acquisition concerns were forwarded to the TA. There were thirteen attendees at the Podgorica roundtable. One concern was raised regarding land acquisition.

4.4 Eligibility and Entitlements Framework (Including Preliminary Entitlement Matrix)

4.4.1 Eligibility

Project affected people (PAPs) are defined as all individuals and legal entities who will be physically and/or economically displaced, as a result of Project-related land acquisition. Many PAPs were recorded in the expropriation study and are therefore eligible for compensation through the RED expropriation process. The expropriation study registry, identifying landowners, is provided in Appendix 2 to this LARF.

The SES identified 5 additional affected HH, with informally built houses and an additional affected HH, which does not own land, but will be affected when the hotel they live in is demolished. Unspecified numbers of additional affected PAPs, who are employees of businesses that will experience temporary disruption, were also noted. The SES did not attempt to identify any HH that are land users rather than owners and did not gather data describing the severity of livelihood impacts. It did identify some groups that may be differentially impacted by the Project, including 4 Roma HH and a significant percentage of older people. It did not systematically identify differentially affected groups and did not describe differential impacts on women or female-headed HH. Overall, groups requiring targeted support may include:

- Informal users of affected land;
- Elderly single headed households;
- Female-headed households who are financially distressed;
- Households with large numbers of members who have to be physically re-located;
- Households led by an illiterate and / or unemployed person;
- Roma households who may experience a form of social exclusion.

All individuals or households who own, occupy or use Project affected land (formal and informal users) are entitled to compensation and/or livelihood restoration or other kind of assistance, per their specific characteristics according to PR5.

The following table describe different categories of PAPs and the processes that have been / will be used to identify them:

Table 7 – Project affected People

1.	Persons with formal legal rights and with rights which are recognizable under national law (owners)	Persons with formal legal rights are recorded in the RED expropriation study. In the case where land with formal legal rights is absent from the cadastre (eg. the case of the house identified as informally constructed on private land) the owner can initiate a claim for compensation. They will then be invited to a hearing and the RED census is updated.
1b	Persons with formal legal rights and with rights which are recognizable under national law (owners), who cannot be located	These individuals were identified in the RED expropriation study/ census. Their compensation will be calculated and documents produced. The compensation payment will be held in escrow, according to the requirements of Montenegro Expropriation Law.
2.	Persons with no formal legal rights to the land they occupy at the time of the census (informal users)	These HH were recorded in the socio-economic survey. The date of the start of the SES was the cut-off date, meaning that any individuals/households that use/occupy Project affected land (without legal rights or claims) after this date will not be entitled to compensation and/or livelihood restoration assistance. The SES identified 4 HH which do not have formal rights to the land that they occupy: 3 Roma households, carrying out metal recycling activities and one single house owner on an adjacent property who has hired a lawyer who is handling all issues regarding the Project and expropriation. It is possible that there is additional informal land use that will be affected that has not yet been recorded
3.	Persons who occupy or use land legally, but are not landowners.	The SES focused on landowners and so may have omitted people in this entitlement category. The only person identified in this category so far is the hotel manager. Employees of other businesses may be impacted temporarily during reconfiguration of businesses.

		Land users will be identified in the census / supplementary SES.
4.	Differentially impacted groups²	<p>The SES did not specifically seek to identify categories of differentially impacted HH and people. Roma households may require targeted support due to language barriers and cultural requirements.</p> <p>The presence and scale of differentially impacted groups will be determined in the census / supplementary SES. These may include:</p> <ul style="list-style-type: none"> • Roma households; • Illiterate persons who may have difficulties accessing information about the Project and land acquisition or understanding contract and other important documents; • People who are not fluent in Montenegrin; • Elderly or infirm or disabled people who may not be able to access hearings; • Female heads of households, whose family commitments may impede their access to meetings and hearings.
5.	Other Project Affected People (PAP)	At present, other categories of PAP are not anticipated, however ongoing consultation and disclosure activities may identify additional PAPs entitled to compensation and the process is able to incorporate these people, as required in accordance with the resettlement principles.

4.5 Entitlements

This section describes different entitlements, as agreed by the TA. These are then presented in a framework entitlement matrix in the following section. These entitlements need to be confirmed, the processes for coordination and delivery with other government agencies developed and disclosure and consultation with PAPs is needed, before entitlements can be finalised.

4.5.1 Cash compensation for assets

Under the expropriation law, certified appraisers from RED and the Commission for value assessment has appraised the value of different types of physical land and assets. The approach is outlined below and detailed in Table 8, below.

Land assets

Under Montenegro Law, the compensation is calculated as the market value of assets plus any transaction costs associated with restoring such assets (transfer taxes, registration costs). The market value of assets (land and structures) is defined based on recent market transactions in the affected area (or in a relevant nearby area). Replacement cost of land will correspond to the market value of land with similar characteristics in the vicinity of the affected land including transaction costs. Appraisal of plants and trees takes into account various important features such as their age or the resources and amount of time that would be needed to grow new trees/plants.

There are provisions for landowners to request inclusion of orphaned lands in compensation and there is also the ability for compensation to be reduced to reflect increased property value derived from the Project.

Built assets

² This term is used instead of vulnerable groups, which is not a helpful term in Montenegro

Replacement cost of formal structures that are registered in the RED will be based on the market value of structures with similar characteristics in the affected area including possible transaction costs.

Informally built structures are not required to be compensated under the expropriation law, although other laws can be used, including the Law on Ownership and Property regulation, which can enable legalisation and the Law on Construction, which can require provision of suitable replacement housing. The TA has agreed to provide suitable replacement housing for the Roma HH to be resettled in coordination with the Ministry for Sustainable Development.

Conformance

This approach broadly conforms to the EBRD requirement to compensate for assets at full replacement cost, providing that costs are truly representative of replacement costs and assets are identified correctly. Non-conformances include:

1. Ability to discount the compensation, if remaining land value is increased by the Project. This may preclude the ability to replace the lost assets.
2. The omission of informal built structures from compensation. Although other laws may fill this gap, providing that implementation proceeds in a timely manner (i.e. before loss of existing house) may be challenging and isn't ensured.

Replacement cost of informal residential or business structures (those which are built without construction permit or not registered in RED) as well as non-residential structures will be calculated as the cost of rebuilding a structure of similar characteristics in another location including materials, costs of labour and any transaction costs (construction value of structures).

Table 8. Approach for calculating asset compensation under the Expropriation Law

Compensation type	Process
Compensation for expropriated immovable property	According to the Law on expropriation land owners whose land will be subject of expropriation will require fair cash compensation which will be determined in the amount of market prices of the same type of real estate in the same or similar area of the municipality, increased for the eventual lost profit during the period of relocation. In case if market price cannot be determined it will be considered the municipality with the same or similar income per capita according to the law which is regulating equalization fund.
Compensation for residential land.	Compensation fee for expropriated residential building, apartment or business premises is determined at the level of fair compensation for such immovable property. The expropriation beneficiary may (in case if all conditions are met) provide similar residential land/building/apartment in compensation. Another property will be provided to the owner before the demolition of an expropriated object.
Compensation for agricultural land	Compensation fee for expropriated agricultural land will be determined in cash at the level of the fair remuneration of such land. The fee for expropriated agricultural land to the person whose income from that land is a condition for existence, upon his request and if conditions are met, is determined on the way that it will be given to the owner another appropriate land of the same culture and class or the corresponding value in the same place or the

	<p>surrounding environment.</p> <p>Expropriated facilities used for cattle breeding and housing or processing of agricultural products of the product will be completed based on fair market values whose income from these activities is a condition for existence, upon his request and if they are fulfilled all conditions, the fee shall be determined by giving the ownership of another, and in accordance with applicable regulations.</p>
Compensation for vineyard or orchard	<p>Compensation fee for an expropriated vineyard or fruit orchard shall be determined on the same way as it is determined for the land as defined above, whereas it will be added value of non-depreciable investments invested in raising and maintaining such vineyards or orchards and the amount of net yield that this vineyard would have given as long as it takes to build up and take on the fullness of a new vineyard or orchard.</p> <p>The fee for an expropriated young vineyard or orchard that does not give fruit is determined by firstly determining the fee for the land under the provisions of Article 36 of the Expropriation Law, and to this is added the value of the investments invested for its raising and the amount of net yield that would have been realized.</p>
Compensation for Forests	<p>Compensation fee for expropriated mature or approximately mature forest represents the value of forest assortments and other forest products determined at market prices on the truck or other loading, or purchase place reduced with production costs. Compensation for expropriated young forests is determined by the costs of raising such a forest, increased by value space factor where such forest can reach value of a mature forest.</p>

4.5.2 Cash compensation for lost net income and other economic/livelihood losses:

All individuals/households/businesses, who will be permanently economically displaced or partially displaced are entitled cash compensation for lost net income during the period of transition (until re-establishment of business/economic activities in another location) under PR5.

The expropriation law does not include livelihood losses. However, an approach has been agreed by the TA, as follows:

- Certified appraisers will appraise business losses (net income loss), based on all available documents, this will occur for both permanent and temporary losses.
- Permanent losses will also be accompanied by (as yet unspecified) livelihood restoration support (see below).
- If the business is completely informal and if there is no record available an estimation of net income and/or loss is prepared.
- Any affected employees will be entitled to compensation in the form of transitional support, depending on the time period and the nature of displacement and livelihood restoration assistance.

4.5.3 Resettlement assistance:

Resettlement assistance will be defined based on initial indications from the SES and additional information from the census and supplementary SES discussed with PAPs in consultation and disclosure processes.

Resettlement assistance will be designed in accordance with the specific needs of affected people. This type of assistance is very often provided to differentially impacted HH, which are physically or economically displaced by a project and can include the following:

- Assistance to resettle to appropriate accommodation with security of tenure. For example, a vulnerable household that has no other place of residence than the affected informal residential structure, may be assisted to resettle to a municipal social apartment, with a long-term contract to ensure security of tenure;
- Moving allowance;
- Support with completion of and understanding of documentation for those who are illiterate or do not understand Montenegrin;
- Legal aid;
- Assistance to obtain personal documents, to help with accessing services available under national legislation;
- Assistance to access social welfare;
- Assistance to enrol children in school;
- Assistance to access health care, etc.

TA has agreed to cooperate with institutions and organisations that can provide needed services, such as the municipal centre for social welfare or local organisations, which work with differentially impacted groups to assist them in accessing appropriate services.

TA, together with Centre for Social Work of Montenegro will provide alternative accommodation for those who will lose housing as a result of this project, until their new home is ready for them to live in (if they choose to build new house) or until they buy a new house/apartment. Costs for alternative accommodation will be for a maximum of a year.

All costs in regards of resettlement assistance, either provided by other Ministries and Agencies or by third parties, will be provided by TA.

It appears that this compensation and support is not included in the initial valuation and will be included in supplementary processes.

4.5.4 Livelihood Restoration Assistance

In cases where implementation of the Project and loss of land and other assets or access to assets, leads to loss of income sources or means of livelihood (economic displacement) of project affected people, TA PIU will implement livelihood restoration measures which will be defined in greater detail in the LARP. This assistance will be provided in addition to cash compensation for affected land and assets.

Livelihood support may include:

- Compensation for the cost of re-establishing business activities elsewhere;
- Access to employment opportunities created by the project;
- Assistance to identify and access other income/livelihood generation activities;
- Assistance to access training, skill development, job opportunities;
- Assistance to access credit facilities;

- Provision of transitional support (see above);
- Compensation for or assistance to transport equipment or machinery.

Livelihood restoration assistance will be provided to those identified as needing it, following the census / supplementary SES.

The hotel owner and manager, who will lose their job / income were identified as potential recipients of livelihood restoration in the SES. Depending on the location of replacement housing for the Roma HH, their livelihood may also be affected. Some businesses may also require livelihood restoration as they reconfigure their businesses to adapt to the proximity of the new road. In addition, households that rely on agriculture for part of their income or subsistence may qualify for livelihood restoration. Land-based livelihood impacts are also anticipated for a small number of HH and these will be specified through the census / supplementary SES study and future consultation and disclosure.

The TA Project Implementation Unit (PIU) will cooperate with institutions and organisations that can provide this assistance, such as the local Employment Bureau or local organisations which implement job training, adult education, access to credit facilities, etc.

This support will be provided in supplemental compensation and support negotiations, rather than as a part of the initial compensation agreement.

4.6 Framework Entitlement Matrix

The following framework entitlement matrix is a work in progress that needs to be refined through additional data gathering, analysis and consultation and confirmed with the TA/RED other Ministries etc.

Table 9 – Framework Project entitlement matrix

TYPE OF LOSS/IMPACT	CATEGORY OF AFFECTED PERSON	NUMBER OF PAPs	ENTITLEMENTS
Permanent loss of privately owned agricultural, commercial and residential land	Owner of the land	456 registered owners	Cash compensation for land at full replacement cost. Reductions for increased value should not be used. In cases where orphaned land will remain after expropriation, landowners can request expropriation of the entire plot or the orphaned plot to avoid orphaning. Or Replacement land of equal or better size and quality in cases where land-based livelihoods exist.
Loss of annual / perennial crops and trees and of other livelihood resources.	Owner of crops, plants, trees (can be the owner of the land or the formal or informal user of the land)	To be determined upon Assessment on valuation of crops in the compensation calculation process. Additional losses may be identified through complementary	The right to harvest crops, plants for annual crops Or Cash compensation for lost annual /

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		consultation and disclosure processes	perennial crops / and trees at full replacement cost. Or and on their request, the loss of crops and land can be mitigated by provision of land with crops of the same culture and class and land of at least the same value. Or Where crops are relied upon for income by a HH other livelihood restoration / transition support may be provided.
Loss of registered residential structures (physical displacement)	Owner of the affected structure	To be determined One owner is identified in the previous LARP. 5 residential structures are identified in the ESIA.	Cash compensation for the residential structure at full replacement cost, including land at replacement cost. And Transitional support to assist with moving expenses. And Temporary support, if house is demolished prior to completion of a new house, or purchase of replacement. Paid accommodation until construction of new home, but no longer than 1 year.
Loss of unregistered / informal structures (houses) (physical displacement)	Owner of the affected structure	TO be determined Two owners were identified in the SEP. 5 residential structures are identified in the ESIA.	Appropriate replacement housing with secure title can be provided through the sustainable development ministry in some cases. And Transitional support to assist with moving expenses. And Temporary support (rent), if house is demolished prior to completion of a new house, or purchase of replacement. Paid accommodation until construction of new home, but no longer than 1 year.
Loss of registered and unregistered commercial structures (commercial objects, concrete and hard fences, parking lots, asphalt coated access, auxiliary premises and other	Owner of the commercial structure	41 registered owners	Cash compensation for the commercial structure at full replacement cost, with or without land value depending on whether land is owned. And

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structures)			Livelihood restoration, if this is indicated.
Loss of income from loss of crops and or informal assets used to generate income for households, where these activities are significant contributors to income.	User of the livelihood resource	To be determined	Tailored livelihood restoration measures designed to improve or at minimum maintain standard of living and income.
Loss of non-residential structures (auxiliary structures and improvements on land)	Owner of the non-residential structure	To be determined upon realization of Assessment for valuation of Structures that is scheduled for June/July)	Cash compensation for the non-residential structure at full replacement cost
Permanent or temporary loss of employment as a result of affected businesses closing or re-locating	Employees of affected businesses	2 people (spouses) will lose their jobs permanently A number to be determined may lose their jobs temporarily while refurbishment occurs.	Transitional allowance (monthly salary) during the period of re-location of business for temporary loss. In the case of business closing transitional allowance (3 months wages) and livelihood restoration assistance

5 CONSULTATION & DISCLOSURE

5.1 Consultation and Disclosure

PR 5 requires participation of affected persons, including both men and women, in informed decision-making processes from the earliest stages of resettlement through the end of monitoring and auditing. They are expected to participate in identifying eligibility, entitlements, design of resettlement and livelihood assistance and timing decisions, as well as in negotiations.

5.1.1 Engagement to date

Engagement to date has followed the Project disclosure process, including the ESIA, and specific contacts with PAPs defined in the expropriation law, which are outlined below. In addition some households have been engaged through the SES.

Specific expropriation-related communication has included:

- Following the determination that the project is in the public interest, the Project engineers finalize the proposed location of the areas to be expropriated. This information is disclosed to potentially affected households, which have an opportunity to request changes to the project to reduce impact or increase benefit. Disclosure is typically through the websites of the TA and the Danilovgrad and Podgorica municipalities. According to records, most changes have been requests to add or modify side road and property access to the main road.
- The SES involved sharing limited information about the Project with interviewed PAPs (approximately 108). This involved direct engagement between the survey team and affected households.
- The subsequent phase of the Project engaged with PAPs to calculate a proposed compensation price based on a full identification of household assets to be expropriated. Some households have criticised whether this asset identification was carried out and whether it is correct.
- The household were then informed of the proposed compensation amount and invited to attend a hearing regarding this amount.
- After the hearing there was an opportunity to accept or request review of the proposed compensation amount.
- If review is requested a recalculation is produced.
- A second hearing invitation is provided if no-one attends the first hearing.

- Once a final compensation agreement is produced the owner has 8 days to lodge a formal complaint regarding the amount.
- Legal recourse is also available, however, after the 8 days from the final compensation agreement the expropriation is final, even if payment is refused.

5.1.2 Planned Future Engagement

When implementation of the LARP began, the TA agreed to continue to regularly inform and consult affected people. All meetings and consultations will be documented by TA providing the date when the meeting/ consultation was held, list of attendees, and a summary of the discussions.

The TA, also planned to organize public meeting with the PAPs to present:

- The Project;
- The Legal procedure for Expropriation;
- The Grievance redress mechanism;
- The Methodology for Assessment Valuation;
- Other project related documents.

Despite these agreements, with the expropriation process advanced beyond 50%, this consultation does not appear to have been effective and some PAPs have complained to consultants that they have not been effectively consulted.

Because of complaints, and because consultation to date does not appear to have conformed to PR5, E3 consultants were hired in late June to carry out two consultation meetings. These consultants have already built rapport with some stakeholders through the SES. These consultations helped in building understanding with stakeholders of their current concerns and disclosure of the entitlements that are required under PR5.

Clearly, effective ongoing stakeholder engagement needs to be implemented for the Project by experienced stakeholder engagement specialists, as the expropriation team appear to be largely following the standard national expropriation process, which does not incorporate adequate engagement with PAPs. Initial engagement meetings during the week of June 24th suggest that significant ongoing engagement is required with affected HH and businesses so that the full range of resettlement impacts and their concerns regarding the measurement and valuation processes can be incorporated into the LARP. Social specialists will need an ongoing presence on site until supplementary compensation and support processes and monitoring is complete. An experienced, qualified and suitably empowered TA social manager (already described in this document) should manage these activities.

The scope of work of the experienced social engagement team for resettlement will be coordinated with general Project social engagement requirements. It will include:

1. Build trust and an effective working relationship with PAPs.
2. Consult on and disclose the resettlement principles and proposed compensation framework and entitlements.
3. Coordinate consultation and disclosure processes that are accessible to differentially impacted groups and those who have challenges in attending regular meetings.
4. Disclose and coordinate data collection, to close all outstanding data gaps.
5. Disclosure consult on and finalize the entitlement framework with PAPs.
6. Coordinate with RED and TA staff and other Ministries to ensure timely and correct implementation of the entitlement framework compensation and support measures.
7. Assist in developing a more timely and effective grievance mechanism (see below).
8. Continue engagement with PAPs throughout the expropriation process and assist with trouble shooting.
9. Assist with monitoring and reporting on resettlement and livelihood restoration progress.

5.1.3 Document disclosure

Disclosure of project documents enables interested PAPs to understand the resettlement process in greater detail. It is also important in enabling local government, NGO and advocate oversight and support of the resettlement process.

The LARP will be available on TA official website (<http://www.dszcg.com>) and the EBRD website (www.ebrd.com), in Montenegrin and English versions, once it has been accepted by the EBRD.

In addition, hard copies of the LARP will be available at the following locations:

- TA premises in Podgorica [IV Proleterske 19]
- Municipality of Danilovgrad [Trg 9. Decembra e-mail: info@danilovgrad.me]
- Municipality of Podgorica [Njegoseva ulica br. 13 e-mail: sluzbagradonacelnika@pggrad.co.me]

The Stakeholder Engagement Plan (SEP) will also be disclosed on the TA and EBRD websites and deposited at the above locations. This describes the engagement activities for the Project and includes the engagements with affected owners and users of land and assets (including those with legal and no legal rights or claims to land they occupy or use).

5.2 Grievance Mechanism

5.2.1 Existing Process

The TA responsibility in the Project is to notify, manage and record all potential comments and complaints related to the Project and land acquisition.

- As defined in the SEP persons and businesses affected by the Project can submit their comments, complaints and requests by post, telephone or e-mail addressing the TA contact person and/or a designated representative of construction contractor. The TA legal expert is responsible for collection of all grievances related to the Project.
- Grievances will be processed by the Grievance Management and Redress Committee consisting of TA legal expert, TA technical expert, representatives of the local community

and the relevant RED', although the mechanism for triggering formation of this committee is unclear.

- Grievances will be noted and registered within 7 days and will be responded within 30 days period by the TA. However, in case when affected persons submit grievance to the construction contractor communication will be responsibility of the construction contractor's representative who will be monitored by TA contact person.
- In case there are grievances that will require more time for solving TA will inform the person who submitted grievance about the time framework for its completion, within the 30 day grievance response period.
- In other documentation, an 8 day window is stated as the time after the emission of a final compensation decision, during which official complaints can be lodged.
- The following grievance contact details have been provided:

Contact person: Mile Ostojic
Montenegrin Transport Administration
IV Proleterske 19
81000 Podgorica
Montenegro
Tel: +382 20 655 095, 655 364
E-mail: direkcijazasaobracaj@dzs.gov.me
Web site: <https://dzscg.com/>

5.2.2 Current situation and requirements

According to official reporting of the expropriation process, no official grievances have yet been lodged regarding the compensation amounts, although many initial cost calculations were rejected on the basis of incorrect asset identification or disagreements over pricing etc. In addition, informal communication in the field and complaints registered during two formal meetings in Danilovgrad and Bandici – Podgorica Municipality indicates high levels of discontent with the land valuation process, including complaints that an asset inventory has not been properly implemented, cost calculations are inconsistent and that valuations are inadequate.

These observations, taken together, indicate that the grievance mechanism is not functioning. Grievances always arise during land acquisition processes, so the absence of official complaints/grievances indicates that the process is not well known, is not trusted or is not understood, rather than that the process is completely grievance free. This is perhaps unsurprising, as disclosure processes do not appear to have been effective and the description provided above is opaque and fails to address many of the requirements of an effective grievance mechanism including: transparency, trust, timely responsiveness, etc. People will not use a process that they do not understand and trust.

The current grievance mechanism needs to be reviewed to identify how it can be improved to better conform to the requirements of PR5. Specifically, the transparency of the process should be improved, as well as developing clarity regarding the impartial dispute resolution mechanism and how it functions. In addition, the process needs to be developed with the participation of PAPs, so that it is culturally appropriate and trusted by them. Disclosure of the process is also critical. An

experienced, qualified and suitably empowered TA social manager (already described in this document) should oversee and manage these activities.

6 MONITORING, EVALUATION & REPORTING

6.1 Monitoring

The TA is responsible for monitoring of the LARP. Monitoring focuses on:

1. Progress monitoring of inputs and outputs which is measuring are inputs delivered on time as it is defined in RFP and LARF
2. Periodic measurement of outcome indicators comparing with baseline conditions gained through the socio-economic survey

For the purposes of monitoring the TA developed a list of indicators that will be followed (Table 10).

Table 10 - Monitoring input, output and outcome indicators

INDICATOR	SOURCE OF INFORMATION	FREQUENCY OF MEASUREMENT
Input indicators		
Number of affected people/households by category (formal or informal, owners or users, vulnerable groups, employees) and types of impacts (physical displacement, temporary or permanent economic displacement, other)	TA resettlement database and grievance management records	Monthly
Number and type of affected assets (land, houses, non-residential structures, crops, trees, etc)	TA resettlement database	Monthly
Overall spending on compensation, resettlement and livelihood restoration	TA financial records	Monthly
Number of staffs dedicated to resettlement and compensation, with distribution in-house outsourced	TA legal department (HR officer)	Biannually
Reinstatement of land – number of plots complete	Construction contractors' reports and grievance management records	Quarterly
Timing of implemented activities in comparison to LARF implementation schedule	Compare status of implementation to LARF schedule	Biannually
Output indicators		
Number of compensation contracts signed Number and % of compensation payments executed	TA resettlement data base and financial records	Quarterly
Physical displacement – Number of people/households resettled	TA resettlement database	Biannually
Livelihood restoration measures – types of measures implemented, implementation progress, number of beneficiaries	TA resettlement database	Biannually
Outcome indicators		
Number and type of outstanding or unresolved grievances and trends	Grievance management records	Quarterly
Average time for payment of compensation	Measure time between compensation agreement and payment	Annually

Does compensation represent full replacement cost?	Investigate whether recipients of cash compensation were able to purchase a similar property	Annually
Use of compensation	Investigate how recipients of cash compensation spent/invested it	Annually
Physical displacement – satisfaction with new homes/assets	Investigate whether physically displaced people/households are satisfied with their accommodation, location, etc. TA resettlement database	Annually
Income/livelihoods: Changes in income level (maintained, increased, decreased) Reinvestment in livelihood activities (purchase of land, equipment, skill training, etc)	Individual meetings with people/households who have been economically displaced TA resettlement database	Annually

6.1.1 Comments on conformance

The indicators seem to omit a number of important issues for monitoring, including consultation and engagement activities, issues specific to the expropriation process, e.g. the number of initial valuations rejected and number of land owners who attend compensation hearings and who don't.

In addition, monitoring frequency for some indicators appears long. For example, grievance numbers should be reported more frequently than quarterly. If an effective grievance process is in place, it can be used to enable an understanding of changes that might be indicated for the process.

Finally, given that there are two parallel compensation and support processes, these need to be recognised in the monitoring framework, so that progress for both processes is clear.

The presence of annual indicators suggests that an annual outcome survey is anticipated for the resettlement. This will not be the external completion audit, which is scheduled for 24 months from commencement of resettlement.

6.1.2 Recommendations to achieve conformance

The following recommendations would move the monitoring approach towards conformance:

- Assess existing monitoring indicators for gaps with effective monitoring of the resettlement process and for frequency.
- Review monitoring frequency. Monitoring frequency should align with the speed of the resettlement process, to ensure that emerging issues are identified before resettlement is complete.
- The social manager should be responsible for oversight of indicators, reporting on social matters and bringing issues arising from monitoring to the TA and the construction consultant etc., if required.

It is typically both more time consuming and more costly to address unmitigated impacts retrospectively than to build and test appropriate plans initially and include effective feedback mechanisms to enable course corrections during implementation.

The monitoring database will also need to be reviewed, because different parts of the data are in different databases at present. For example, the SES data and the census / supplementary SES data

appear to be in different databases than the expropriation studies data. These data need to be consolidated into case files for each individual HH and consolidating the data for each HH into one database may be helpful. Because the RED/TA team and consultants have different priorities, it will probably be helpful if the experienced social engagement team are given responsibility for overseeing monitoring.

6.2 Reporting

6.2.1 Current process

The TA is responsible for maintaining and regularly updating database of persons and businesses whose land and objects will be subject to acquiring and affected by the Project. Moreover, TA is responsible for the implementation of the compensation process, resettlement and livelihood restoration measures. TA will keep all information confidential about persons/businesses and their compensation payments.

Based on pre-defined indicators listed in the table above TA will prepare quarterly progress reports presenting implementation of RFP and LARF and submit these to EBRD. Reports will contain information about compensation and resettlement/livelihood restoration measures, consultation processes, information on negotiation processes and achieved results, assistance to vulnerable groups and grievance management.

Additionally, TA social manager, with support from consultants will be responsible for the documentation of all consultations and meetings that will be organized which will be included into progress reports with additional information (i.e. attendance sheets, photos). TA will submit the final report to EBRD upon completion of all land acquisition process and implementation of all pre-defined mitigation measures.

6.2.2 Comments on conformance

As described in the monitoring section above, the existing indicators appear inadequate to the task of effective monitoring of the resettlement process, due to their focus on narrower national expropriation requirements. In addition, from a PR5 perspective, some affected HH, for example the hotel manager, do not seem to be considered as a separate HH from the hotel owner. As land use (as opposed to ownership) and temporary employment impacts are not yet documented, the number of HH in the database is likely to increase, until a full understanding of affected HH is developed.

These reporting deficiencies are reflective of the deficiencies in the monitoring framework and should be resolved by reviewing and updating the monitoring indicators. As well as correcting deficiencies in the monitoring indicators, the frequency of and responsibilities for writing monitoring reports will need to be clarified. The data for the report will be generated and monitored by both the RED/TA team and the experienced social engagement team and these data sets will need to be collated.

6.3 Completion Audit

A Completion Audit will be undertaken once all LARP measures have been implemented for all tranches and sections of the overall Montenegro Main Roads Improvement Project. The audit will also occur after sufficient time has passed to establish stable resettlement and livelihood outcomes.

The completion audit is expected to occur approximately 24 months after completion of all physical relocation of households and/or businesses, at a minimum. The audit will be carried out by independent resettlement experts and as agreed with the EBRD.

The audit will determine whether measures to restore standard of living and livelihoods of affected people were well conceived, properly implemented and effective in achieving the required outcomes. In the event that the audit identifies significant deficiencies or non-conformances with PR5, the auditors will recommend corrective actions, including an implementation schedule and budget.

The audit will include a review of all related documentation, compensation rates and amounts, consultation and disclosure records, grievance records, results of internal monitoring and external monitoring/evaluation reports. The auditors will also conduct evaluation surveys of and consultation with a sample group of affected people and other relevant stakeholders.

7 IMPLEMENTATION RESPONSIBILITIES AND COSTS

7.1 Implementation Responsibilities

The TA is responsible for Project implementation with its Project Implementation Unit (PIU). However, processes related to land acquisition are also the responsibility of other institutions involved and presented in the Table 11.

Table 11 – Implementation responsibilities

INSTITUTION/ORGANIZATION	ROLES AND RESPONSIBILITIES
TA PIU	General responsibility related to development of RPF and RAP Beneficiary of expropriation process
Government of Montenegro	Proclamation of the public interest
Ministry of Finance	Securing funds for land acquisition
Real Estate Directorate (RED)	Establishing the Commission for Value Assessment which is responsible for appraising affected land and assets With its Cadastre Units established in municipalities RED is acting as public institution which is facilitating process of expropriation in municipalities Danilovgrad and Podgorica
Municipalities on whose territories Project will be carried out: <ul style="list-style-type: none"> • Municipality Podgorica • Municipality Danilovgrad 	Municipalities will cooperate with TA PIU in various activities related to identification of affected owners/users of land, organizing meetings with affected persons (public discussions, start of expropriation process, construction, traffic management, grievances)
Designer	Organizing meetings with community in cooperation with municipalities regarding design matters Revision of the design in order to ensure that physical and economic displacement either avoided or minimized to the possible extent
Construction contractors	To inform owners and land users in the area where construction activities will be carried out regarding plan and start of construction activities To take all necessary measures to secure construction sites, minimize construction nuisances and ensure uninterrupted access to properties along the footprint of the road section being constructed/reconstructed as well as complete reinstatement of the land after use where it's applicable.
E3 consultants	Carrying out SES, additional data collection activities and supplementary consultations.
Social consultant	Follow-on work providing ongoing consultation and disclosure, data collection, monitoring and reporting and completing the LARP.
External consultant	An independent external consultant will be hired to implement the completion audit of the resettlement.
Service providers (municipal centre for social welfare, employment bureau, training organizations)	Provision of resettlement and/or livelihood restoration assistance in cooperation with TA PIU.

7.2 Implementation Schedule

Achieving a conformant LARP will require a combination of actions specifically focused on filling gaps in the existing documents, plans and actions designed to implement the LARP and monitor and audit its implementation. It is unclear at present, whether these actions will proceed concurrently, or whether it will be possible to slow or stop the current land expropriation process, to avoid additional impacts resulting from resettlement impacts proceeding the payment of compensation and provision of support that is needed to mitigate impacts.

The implementation schedule below (Table 12) is indicative only and assumes that it will be possible to stop or slow resettlement and carry out engagement and data gathering activities prior to recommencing compensation and support negotiations. This approach may not be feasible and will require high level discussions between the TA, RED, EBRD and others to ascertain realistic options. Additional actions and coordination will be required if the resettlement proceeds through separate expropriation compensation and resettlement/livelihood compensation and support processes.

An indicative schedule for land acquisition and resettlement activities to (i) update the LARF to produce an implementable plan (LARF); (ii) implement the LARF and (iii) monitor activities is presented in Table 12. Timing is necessarily speculative at this point and needs to be confirmed.

Table 12 – Implementation Schedule

Ref.	Activities	Responsible Entity	Schedule
Conversion of LARF to LARP			
1	Implement initial consultation and disclosure meetings with PAPs to disclose the resettlement principles, ensure clarity over the cut-off date, and to begin discussions about impacts and entitlements.	Social consultants (to be hired)	Week of June 24 th 2019
2	Determine ongoing consulting requirements for creating a conformant LARP.	EBRD and TA	ASAP
3	Identify the experienced social engagement team, who will be responsible for consultation and disclosure activities and the team that will be responsible for reviewing, verifying and completing SES and census data for the Project.	EBRD and TA	August 2019
Needed but not a LARP action	Identify a suitably qualified and experienced TA social manager, who will be empowered to participate in TA and expropriation decision-making, as well as in construction planning and weekly meetings. For the LARP this person will be empowered to ensure that adequate mitigation is in place before expropriation is made reality on the ground (e.g. land clearance and demolition of houses) and that PAPs have access to assets before this. In addition, they will be responsible for ensuring conformant engagement.	EBRD and TA	August 2019
4	Develop a schedule of consultation and disclosure activities and a schedule of data review, gathering and analysis activities.	TA social manager with support from Social consultants (to be hired)	August 2019
5	Agree processes for coordination between the TA/RED/construction/other Ministry teams and the consulting teams so that information is shared expediently, and decisions can be achieved in a timely manner.	TA social manager with support from Social consultants	August 2019
6	Implement initial engagement schedule including targeted support for PAPs that would otherwise be unable to be fully engaged in the consultation, disclosure and resettlement	TA social manager with support from Social consultants	August-September 2019

	<p>processes. This should include:</p> <ol style="list-style-type: none"> 10. Disclosure of the resettlement process. 11. Disclosure of cut-off-date per PR5 requirements. 12. Consultation on impacts and entitlements. 13. Consultation on the Grievance Management Process. 14. Ongoing consultation to inform of the verification census / supplementary SES and other actions. 		
7	<p>Confirm land requirements based on detailed engineering design, including clarification of RoW and temporary land requirements during construction (location and timeframe).</p>	<p>TA social manager with support from Social consultants, RED etc</p>	<p>August 2019</p>
8	<p>Implement data review processes. This should include:</p> <ol style="list-style-type: none"> 15. Review and collate all existing data for each affected HH into a database. 16. Verify data received from the RED and produce full plans identifying all areas to be acquired and the type of land affected. 17. Identify outstanding gaps and data that will require verification for identified HH and businesses. 18. Identify information required for employees and other land users. <p>Identify categories of differential impacts and the data that will be needed to fill these gaps.</p>	<p>TA social manager with support from Social consultants with data from RED and TA</p>	<p>August 2019</p>
9	<p>Design and implement supplementary data verification and collection process. This should include:</p> <ol style="list-style-type: none"> 19. Design and test survey instruments. 20. Implement census with 100% of affected HH to verify and complete data required. 21. Analyse and collate data into a complete database cataloguing specific impacts and qualitative and quantitative data regarding impacts. 22. Verify valuation study. 	<p>TA social manager with support from Social consultants</p>	<p>August-September 2019</p>
10	<p>Determine number of Project Affected People (all landowners and users) and identify any vulnerable households or businesses.</p>	<p>TA social manager with support from Social consultants with RED</p>	<p>September 2019</p>
11	<p>Prepare inventory of land, assets and resettlement impacts for the length of the road corridor.</p>	<p>TA social manager with support from Social consultants and RED</p>	<p>September 2019</p>
12	<p>Prepare case files for each affected HH.</p>	<p>TA social manager with support from Social consultants</p>	<p>September 2019</p>
13	<p>Establish entitlement matrix with proposed compensation.</p>	<p>TA social manager with support from Social consultants and other relevant Ministries and agencies</p>	<p>September 2019</p>
14	<p>Engagement meetings with stakeholders to discuss results of census and inventory to resolve any outstanding issues. This should include:</p> <ol style="list-style-type: none"> 1. Disclosure of the census / supplementary SES results. 2. Implementation of engagement-related targeted support for groups with obstacles for participation. 	<p>TA social manager with support from Social consultants</p>	<p>October 2019</p>

	<p>3. Targeted disclosure with differentially impacted HH and groups.</p> <p>4. Consultation and disclosure of compensation framework.</p> <p>5. Consultation and disclosure of compensation and support processes.</p>		
15	Finalize compensation matrix and compensation and support measures.	TA social manager with support from Social consultants and other relevant Ministries and agencies	October 2019
16	Preparation of LARP.	TA social manager with support from Social consultants	October 2019
Implementation of LARP			
1	Disclose LARP.	TA social manager with support from Social consultants	October 2019
2	Continued consultation and disclosure: <p>23. Ongoing engagement to inform of impending actions and processes throughout the resettlement.</p> <p>24. Additional grievance management consultations.</p>	TA social manager with support from Social consultants	October 2019 onwards
3	Negotiation and (written) agreement with PAPs.	TA social manager with support from Social consultants, RED, directorate of expropriation and social consultants	October 2019 onwards
4	Payment of additional compensation and provision of support measures.	TA social manager with support from Social consultants, RED, directorate of expropriation and social consultants	October 2019 onwards
5	Implementation of livelihood restoration measures.	TA social manager with support from relevant Ministries/agencies and social consultants	October 2019 onwards
6	Land transfers and registration.	RED	October 2019 onwards
LARP Monitoring			
1	Continued consultation and disclosure including consultation on monitoring.	TA social manager with support from Social consultants	At least monthly through compensation and key resettlement and livelihood restoration actions.
2	Socio-economic monitoring.	TA social manager with support from Social consultants	Annually in July until completion audit
3	Progress reports.	TA social manager with support from Social consultants	Within 4 weeks of completion of socio-economic monitoring

			surveys.
4	Prepare RfP for completion audit and select external consultants.	TA social manager with support from Social consultants	June 2021 at the earliest (estimated for at least 2 years after resettlement)
5	Consultation on completion audit.	TA social manager with support from Social consultants	In parallel with selection of audit consultants
6	LARP Completion Audit.	External consultants	Begins within 4 weeks of selection
7	Final monitoring report.	External consultants	Within 8 weeks of completion of fieldwork
8	Implementation of any required rehabilitation actions for the resettlement from the Audit.	TA social manager	Unknown

7.3 Implementation Costs

Because of the information gaps, it is not yet possible to calculate a complete compensation and support budget for the resettlement. The following sections provide indicative costing, that can be used to calculate the complete resettlement compensation and support budget, once more complete and verified data is available.

7.3.1 Cash compensation for land and structures

The Commission for value assessment stated in the Report on land assessment (July 2018) prepared for the expropriation process that the total estimated value of land that will be subject to expropriation is 4.1 million Euros. This amount is broken down by affected settlement in Table 13 (below).

Table 13 – Land values from the Commission for value assessment report.

CM	Euro
Tolosi	822,010
Baloči	532,365
Donja Gorica	99,350
Beri	4,065
Novo Selo	406,750
Curilac	724,240
Jastreb	613,450
Donji Zagarac	163,410
Glavica	110,915
Bandici	347,285

Grlic 2	288,385
TOTAL	4.1 mill

Source: Ministry of finance, RED, Report on land assessment, July 2018.

These costs are likely to underestimate the cost of land to be acquired because HH are able to request expropriation of larger areas of land to avoid orphaned land parcels. In addition, it is unclear whether these figures include compensation for the RoW and, as consultation has not occurred on land class allocations and land values and HH have complained that the land inventory has been deficient, requests for change are only likely to increase the cost.

It is also unclear whether these costs include compensation for structures, including business buildings and houses.

7.3.2 Additional costs for transitional and temporary compensation and support and livelihood restoration.

The asset costs (above) do not include transitional assistance, temporary support or livelihood restoration measures. The TA social manager will have the responsibility for determining each of these, and the subsequent cost amounts and support types, with appropriate support from the social consultants and certified valuation consultants, as required. All of these compensation amounts will be determined initially in September 2019, during the preparation of the initial entitlements matrix. They will be finalised following consultation with affected HH and businesses in October 2019, when the LARP is finalised.

Transitional assistance:

Transitional assistance is support provided at or around the time of land acquisition and resettlement to offset transactional expenses and issues. The types defined in the entitlement matrix include the following items (see Table 14)

Table 14 - Transitional support – indicative costs

Support type	(EUR / unit)
Moving expenses	To be determined
Legal assistance	To be determined
Support with responding to compensation valuations and hearing documents	To be determined
Support with access to courts, consultation and disclosure etc.	To be determined
Payments to third party for facilitating access to Roma households	To be determined
Due to the lack of data and consultation, other support will undoubtedly be identified later on.	

The number of households requiring transitional assistance and the types of assistance required are not yet clear. They will be determined through ongoing consultation and disclosure, as well as in monitoring.

7.3.3 Temporary support

Temporary support includes a variety of support that prevent impacts related to the time taken to build replacement housing and the time taken to re-establish a business.

Table 15 Temporary support – indicative costs

Support type	(EUR / unit)
Income loss offset for business while supporting infrastructure is replaced (maximum one month)	To be determined Calculated from expected business loss (from reported income)
Income loss offset for business requiring more significant reconfiguration (maximum three months).	To be determined Calculated from expected business loss (from reported income)
Income loss for employees while supporting infrastructure is replaced (maximum one month)	To be determined Calculated from income amounts and business closure time
Income loss offset for employees while more significant reconfiguration (maximum three months).	To be determined Calculated from income amounts and business closure time
Rent payments for individual who will lose his job and home when the hotel closes This will probably also apply temporarily to workers at businesses that will need to be reconfigured	To be determined
Rent payments for Roma families, if their home is demolished prior to construction of a new house (maximum one year).	To be determined

7.3.4 Livelihood restoration assistance

Where the owners of affected active businesses, who have received compensation for loss of commercial and non-residential structures and compensation for loss of income, are expected to need assistance to restore or transition to new income generating activities, the owners of such businesses and their employees will be entitled to livelihood restoration assistance. In addition, any households which are found to have lost a significant portion of their livelihood resources (e.g. for households that depend partially on agriculture), will be entitled to livelihood restoration assistance. The hotel manager and owner will also be entitled to livelihood restoration assistance.

The need to provide such assistance, as well as the type of assistance to be provided, will be assessed through the census and supplementary SES and through consultation and disclosure activities, detailed information will be included in the LARP.

The TA will cooperate closely with local (municipal) authorities, who are well acquainted with locally affected businesses, and with the social consultants in the design and delivery of tailored livelihood

support activities. These activities will require participation from PAPs and will involve locally available service providers (local employment agencies, training facilities, credit facilities, etc.).

Potential livelihood restoration measure are outlined in Table 16:

Table 16 - Livelihood support actions and potential costs

Support type	(EUR / unit)
Access to employment opportunities created by the Project, while recognizing that these will be temporary livelihood restoration;	No anticipated cost
Access to other locally available employment opportunities (e.g. Public works, employment in municipal enterprises, etc.);	No anticipated cost
Assistance to identify and access other income/livelihood generation activities (opportunities with other local businesses);	To be determined Possible consultant or contractor service cost or payment to relevant government agencies
Technical assistance and inputs to recreate agricultural assets, including strategies to produce income while tree crops mature;	To be determined Possible consultant or contractor services or payment to relevant government agency.
Assistance to access job training, skill development, etc.;	To be determined Payment to relevant government agency or education institution.
Assistance to access credit facilities.	To be determined

Overall the number of households qualifying for livelihood restoration assistance is expected to be less than 10. Specifics will be determined through ongoing consultation and disclosure, as well as in monitoring.

7.3.5 Additional costs to be included in the LARP.

A series of additional studies will be required to achieve conformant implementation of the LARP and in addition consultant fees for support with consultation and disclosure will be an additional LARP expense. These additional costs are outlined in Table 17.

Because the TA social manager is considered a Project position, rather than a LARP position, this person’s salary and expenses are not included in Table 17, although a significant portion of this person’s early responsibilities in the Project will be resettlement related.

Table 17 - Additional costs to be included in LARP budget

Support type	(EUR / unit)
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OFFICIAL USE

SES	To be determined
Additional consultation and disclosure in June 2019	To be determined
Census and supplementary SES	To be determined
Additional consultation and disclosure throughout implementation and monitoring	To be determined
Annual resettlement studies	To be determined
Audit RfP development and bid review	To be determined
External completion audit	To be determined

8 Appendices

The following Appendices are included in this section.

Appendix 1. Land Acquisition legal gap analysis matrix

Appendix 2 Register of non-confidential information for affected privately-owned plots of land to be acquired

Appendix 3. Expropriation study database.

Appendix 4 SES and resettlement impact study.

Appendix 5 Photographs of affected businesses and informally-built houses.

Appendix 6. SES survey for households

Appendix 7. SES for businesses

Appendix 1. Land Acquisition legal gap analysis matrix

Gap Analysis - Legal Framework for Expropriation and the EBRD's PR5

Issue	EBRD policy requirements	Provisions of Montenegro law	Gap/comment	Proposed response
Involuntary resettlement, physical and economic displacement	The term involuntary resettlement refers to physical or economic displacement (see paragraph 1) occurring as a result of affected individuals / communities not having the right to refuse land acquisition or restrictions on land use (see paragraph 2).	Montenegrin law recognizes involuntary resettlement through its expropriation law, however not all of the requirements that are considered under EBRD PR5 are included (see below).	Not all of the requirements that are considered under EBRD PR5 are included (see below).	(See below)
Land acquisition and restrictions on land use	<p>Involuntary resettlement occurs as a result of:</p> <ul style="list-style-type: none"> Land acquisition leading to physical and/or economic displacement, which includes outright purchases of property or purchases of property rights (such as rights of way, easements). See paragraph 2 Restrictions on land use that result in physical and/or economic displacement, irrespective of how such restrictions are established (such as through negotiation, compulsory purchase or by means of government regulation). See paragraph 2, paragraph 6 bullet 3. <p>Involuntary resettlement (displacement) can be full, partial, permanent or temporary. See paragraph 6.</p>	<p>The law on expropriation defines the processes and procedures related to property expropriation in the public interest.</p> <p>The law on expropriation requires provision of fair compensation for land, which is defined on the basis of the market price for the same type of property in the same or similar area, within the municipality, The amount can be reduced to account for value increase related to the Project.</p> <p>The law on expropriation does not envisage compensation for those objects that are informally built or informal incomes.</p> <p>The Law on expropriation envisages providing appropriate cash compensation for those stakeholders that are affected and enables affected stakeholders to request compensation for 'orphaned' land.</p>	<p>No compensation for informally built structures or informal incomes.</p> <p>The ability to reduce compensation due to land price increase related to the Project goes against the principle of replacement cost.</p>	<p>Identify and compensate for informally built structures and informal incomes in the SES, complimentary consultation and disclosure and monitoring.</p> <p>Avoid use of reductions due to land value increase.</p>

Negotiated settlements	Negotiated settlements in acquiring land are encouraged to avoid expropriation and eliminate the need to use governmental authority to remove people forcibly. See paragraph 10.	A hearing must to be held by the Real Estate Directorate to discuss and determine the level of compensation for each affected owner. In case an agreement on the level of compensation is not reached within two months of the decision on expropriation becoming legally binding, the case is referred to the courts to decide. The Beneficiary of Expropriation proceeds with the payment of compensation or provision of replacement properties, after the signing of a compensation agreement or the decision on compensation becoming legally binding.	The expropriation does not qualify as a negotiated settlement process as expected by the EBRD	Supplementary processes should use a negotiated process. There may need to be some flexibility to reopen compensation decisions, when errors have been made.
Avoidance or minimisation of displacement	Consideration of feasible alternative project designs to avoid or at least minimize physical and/or economic displacement, while balancing environmental, social and economic costs and benefits. See paragraph 5, bullet 1.	As part of expropriation, the TA discloses route and affected households can apply requesting deviations of the route to reduce impacts. The Project design minimized impacts on private land to limit impacts.	No gap.	
Socio-economic assessment and census	Implementation of a socio-economic baseline assessment on project affected people, including impacts related to land acquisition and land use restrictions. See paragraph 14. Implementation of a census to identify the persons who will be displaced, determine who will be eligible for compensation and assistance and take inventory of affected land and inventory. The census should also take into account seasonal resource users who may not be present in the project area during the time of the census. See paragraph 15.	National legislation does not require development of resettlement/livelihood restoration framework and plan that will be based on the results on previously conducted socio-economic baseline assessment. On that basis there is no requirement for public disclosure of such documents; An asset inventory is collected for each plot of land to be acquired and compensation is thus calculated based on these assets. If landowners cannot be located, compensation is accounted for and left in an account for distribution at a later date.	No requirements for resettlement/livelihoods restoration framework and no public disclosure of such documents.	Socio-economic baseline assessment was carried out. Needs to be supplemented in line with EBRD standards.

<p>Cut-off date</p>	<p>In the absence of national government procedures, the client will establish the cut-off date for eligibility for compensation and assistance. Using the date of the census or baseline assessment is often most practical. See paragraph 16.</p> <p>Persons who move into the project affected area after the cut-off date will not be eligible for compensation and other types of assistance. See paragraph 16.</p> <p>Information regarding the cut-off date will be well- documented and disseminated throughout the project area. See paragraph 16.</p>	<p>There is no cut-off date related to determination of eligibility for compensation and assistance to the affected group as persons who do not have legal rights or claims on the land are not recorded by a census;</p> <p>According to the Law on local self-government, local municipalities are responsible for the process of defining/announcing that a project has been determined to be in the public interest for the expropriation process, when projects have a great importance at the local level.</p>	<p>There is no cut off date by law.</p>	<p>The date of the survey will act as the cut-off date.</p> <p>The social consultants will ensure that the cut off date is properly disclosed and understood during supplementary consultation and disclosure.</p>
<p>Compensation at full replacement cost</p>	<p>Compensation for loss of assets will be provided at full replacement cost, usually calculated as the market value of the assets plus the transaction costs related to restoring such assets (such as registration and transfer taxes). See paragraph 17, footnote 11.</p> <p>The valuation method for determining replacement cost must be documented in RAPs/LRPs. See footnote 7.</p> <p>Where land markets are in a formative stage, clients should seek valuation by external independent professional valuation experts. See footnote 7.</p>	<p>The Rulebook sets out a detailed process for valuation.</p> <p>Not all assets are included.</p>	<p>Most values align with replacement cost. All assets need to be valued.</p> <p>The ability to reduce compensation due to land price increase related to the Project goes against the principle of replacement cost.</p>	<p>Full methodology will be applied to missing assets using Montenegrin valuation method.</p>

Standards for compensation	Standards for compensation and assistance will be transparent and consistent within the project. See paragraph 17.	<p>The rulebook on the methodology for assessment of property value defines the methodology used for assessment of the property value. It also describes the institutional arrangements for property value assessment and purpose of the assessment.</p> <p>It does not provide guidance on livelihood restoration, transitional support and temporary assistance.</p>	<p>Valuation involves subjective judgement. It is complex and so opaque.</p> <p>It does not provide guidance on livelihood restoration, transitional support and temporary assistance.</p>	<p>Livelihood impacts, transitional and temporary impacts will be assessed. And conformant support designed using data from the SES.</p>
Timing of compensation/Standards for compensation	<p>Compensation will be provided before displacement or imposition of restrictions. See paragraph 17.</p> <p>Alternative housing and/or cash compensation has to be provided prior to relocation. See paragraph 30.</p> <p>The process of promptly compensating economically displaced persons for loss of assets or access to assets should be initiated prior to displacement. See paragraph 37, bullet 1. Standards for compensation and assistance will be transparent and consistent within the project. See paragraph 17.</p>	<p>The Law on expropriation provides for the right of land users (in this case) to take into possession the immovable property on the day when the decision on expropriation becomes valid if compensation has been paid or if payment was refused.</p>	<p>Expropriation decisions can occur before full mitigation is in place.</p>	<p>The TA has stated that compensation will be provided before displacement. This needs to be extended all compensation and support, not just asset compensation under national law.</p>

<p>Compensation in kind/cash</p> <p>Timing of compensation</p>	<p>Losses that cannot be valued easily, or compensated in cash, can be compensated in kind if appropriate. See footnote 12.</p> <p>Where livelihoods of affected persons are land-based or where land is collectively owned, land-based compensation will be offered, taking into account seasonal and agricultural timing requirements. See paragraph 17.</p> <p>Payment of cash compensation for lost assets may be appropriate where:</p> <ul style="list-style-type: none"> • livelihoods are not land-based • livelihoods are land-based but the land taken for the project is a small fraction of the affected asset and the residual land is economically viable <p>active markets for land, housing and labour exist, displaced persons use such markets, and there is sufficient supply of land and housing. See footnote 14.</p> <p>Compensation will be provided before displacement or imposition of restrictions. See paragraph 17.</p> <p>Alternative housing and/or cash compensation) has to be provided prior to relocation. See paragraph 30.</p> <p>The process of promptly compensating economically displaced persons for loss of assets or access to assets should be initiated prior to displacement. See paragraph 37, bullet 1.</p>	<p>Compensation provided to formal owners of property is defined as fair compensation in cash or in kind (replacement property).</p> <p>When compensation is provided in cash, it is determined "in the amount of the market value of similar properties in the area, increased by any losses of income during the resettlement period, depending on the manner the property was used and the costs of resettlement" (Article 35).</p> <p>When compensation is provided in kind, the previous owner is provided with replacement property plus the payment of all accompanying costs (losses of income during the resettlement period, depending on the manner the property was used and the costs of resettlement).</p>	<p>No gap except that not all forms of loss are compensated.</p>	<p>See specific categories of loss for how gaps will be filled.</p>
<p>Other resettlement/relocation assistance</p>	<p>Provision of relocation/resettlement assistance sufficient for affected people to restore and, where possible, improve their standards of living and/or livelihoods. See paragraph 32, bullet 2.</p> <p>Specific resettlement assistance should be provided for the poor and the vulnerable. See paragraph 30.</p>	<p>The standards do not mention improving or restoring livelihoods.</p> <p>Specific resettlement assistance for vulnerable people are not addressed but these may be mitigated through other legislative instruments.</p>	<p>The standards do not mention improving or restoring livelihoods or transitional support.</p>	<p>TA has agreed to include these types of assistance. They need to be agreed prior to finalizing expropriation decisions.</p>

<p>Restoring (improving) standards of living and livelihoods, opportunities for deriving benefits from the project</p>	<p>The aim of compensation at full replacement cost and other resettlement assistance is to, at a minimum, restore standards of living and/or livelihoods of displaced persons to pre-displacement levels, or ideally improve them. See paragraph 17.</p> <p>The client will provide opportunities to displaced persons and communities to derive appropriate development benefits from the project. See paragraph 17.</p>	<p>The Law on Expropriation provides only for compensation for loss of assets and does not prescribe other types of assistance to displaced persons or communities. However, the Law stipulates that the financial and other personal/family circumstances of the previous owner must be taken into consideration if such circumstances are “of significance to the livelihood of the owner” (large number of household members, number of household members earning income, the health status of the household members, monthly income of the household, etc.).</p>	<p>These issues are not covered under Montenegrin law.</p>	<p>Additional compensation and support measures will be developed, tailored to specific livelihood restoration needs and opportunities. They need to be implemented in a timely manner.</p>
<p>Categories of displaced persons</p>	<p>Category 1: those who have formal legal rights to the land (including customary and traditional rights recognised under national laws).</p> <p>Category 2: those who do not have formal legal rights to land at the time of the census but who have a claim to land that is recognised or recognisable under national laws.</p> <p>Category 3: those who have no recognisable legal right or claim to the land they occupy, including seasonal resource users such as herders/fishing families, hunter and gatherers who may have interdependent economic relations with communities located within the project area. See paragraph 18.</p>	<p>Montenegrin expropriation law is based on the provision of compensation for any affected property and addresses physical and economic displacement for those stakeholders who have formal legal rights according to the law.</p> <p>Those persons who do not have legal rights or claims on the land are not subject of compensation or assistance under Montenegrin laws, including resettlement to adequate housing and livelihood restoration assistance;</p>	<p>The law only accounts for those who have formal legal rights to the land.</p>	<p>Displaced persons without formal rights at the time of the census will be included and their assets compensated/ their livelihoods restored.</p> <p>Replacement housing will be available for some HH.</p>

<p>Joint property</p>	<p>Ensure that the documentation for ownership or occupancy and compensation is issued in the names of both spouses or single head of households, whichever is relevant to each situation, and that other resettlement assistance, such as skills training, access to credit and job opportunities are equally available to women and adapted to their needs. See paragraph 19.</p> <p>Alternative methods and/or modalities for compensation should be considered where women are less likely to have access to formal financial institutions and/or have bank accounts. See paragraph 20.</p>	<p>There is no provision under Montenegrin law.</p>	<p>There is no provision under Montenegrin law.</p>	<p>Once gender issues are better understood, specific issues to mitigate risks involving women will be developed.</p>
<p>Grievance mechanism</p>	<p>The grievance mechanism will be set up as early as possible in the process to receive and address in a timely fashion specific concerns about compensation and relocation that are raised by displaced persons and/or members of host communities, including a recourse mechanism designed to resolve disputes in an impartial manner. See paragraph 21.</p> <p>Consistently with PR10, the grievance mechanism, process, or procedure should address concerns promptly and effectively, using an understandable and transparent process that is culturally appropriate and readily accessible to all segments of the affected communities, at no cost and without retribution. See PR10, paragraph 28, bullet 1.</p>	<p>National legislation does not require establishment of an independent and free project grievance mechanism that will address land acquisition complaints and grievances;</p>	<p>No requirements for a project grievance system under Montenegrin law.</p>	<p>A grievance phone number, website and contacts have been provided by the TA. The TA lawyer is responsible for managing grievances. An improved grievance process needs to be provided.</p>
<p>Resettlement and/or Livelihood Restoration Frameworks and Plans</p>	<p>When the exact nature or magnitude of the land acquisition or restrictions on land use is still unknown, a Resettlement and/or Livelihood Restoration Framework will be developed. See paragraph 22.</p> <p>Once the individual project components are defined and the required information becomes available, the framework will serve as a basis for the development of a detailed Resettlement Action Plan (RAP) or Livelihood Restoration Plan (LRP). See paragraph 22.</p>	<p>There is no provision under Montenegrin law.</p>	<p>There is no provision under Montenegrin law.</p>	<p>A LARP will be developed by consultants based on this LARF and additional data collected.</p>

	<p>Where involuntary resettlement has already occurred, identify gaps and corrective measures to ensure compliance with PR5 and develop an action plan. See paragraph 9.</p> <p>Where land acquisition and resettlement are the responsibility of the host government, the (private sector) client will develop and implement a plan for bridging the gaps between entitlements provided under national law and those required under PR5. See paragraph 41.</p>	<p>Montenegrin law does not address this. The resettlement is the responsibility of the government (RED) and is being overseen by another government ministry (TA).</p>	<p>Existing resettlement is non-conformant and is the responsibility of government.</p>	<p>The TA has agreed to develop a LARP, however the resettlement has partially occurred, so the LARP also includes corrective measures.</p>
<p>Monitoring and completion report</p>	<p>Monitoring of the resettlement and livelihood restoration process will be carried out in accordance with PR1 and should involve key stakeholders such as the affected communities. See paragraph 23.</p> <p>Depending on the scale of a project's resettlement, the client may have to commission an external completion of the RAP/LRP to determine that the provisions have been met. It may identify corrective measures and after their implementation, the client's obligations are brought to a close. See paragraph 24.</p>	<p>Resettlement/livelihood restoration process and outcomes does not require monitoring and evaluation under Montenegrin law.</p>	<p>The law does not require monitoring and evaluation.</p>	<p>Monitoring and evaluation will be carried out by TA and social specialists.</p>
<p>Improvement of living conditions through provision of adequate housing / shelter with security of tenure</p>	<p>Improve living conditions (particularly for Category 3) by providing adequate housing which is measured by quality, safety, affordability, habitability, cultural appropriateness, accessibility and locational characteristics. Adequate housing should allow access to employment options, markets and basic infrastructure and services (water, electricity, sanitation, health care and education). See paragraph 5, bullet 4, footnote 9.</p> <p>New resettlement sites built for displaced persons will offer, at a minimum, pre-displacement living conditions and where achievable, sustainable and cost-effective opportunities to improve the standard of living. See paragraph 30.</p> <p>Security of tenure exists if resettled persons are protected from forced evictions, to the greatest extent possible. See footnote 10.</p>	<p>The Law on Expropriation provides only for compensation for loss of assets and does not prescribe other types of assistance to displaced persons or communities. However, the Law stipulates that the financial and other personal/family circumstances of the previous owner must be taken into consideration if such circumstances are "of significance to the livelihood of the owner" (large number of household members, number of household members earning income, the health status of the household members, monthly income of the household, etc.);</p>	<p>There is no requirement for providing tenure or adequate replacement housing.</p>	<p>The TA intends to provide suitable replacement housing with tenure for the two Roma HH, with support from the Ministry of Sustainable Development.</p>

Legal assistance	Displaced persons should be provided with legal assistance to help them complete administrative requirements prior to land acquisition and, if needed, to seek redress from the courts. See paragraph 28.	Vulnerable groups are eligible for free legal assistance under provides legal assistance to vulnerable groups through Court departments, where people are able to access free legal advice provided by authorized lawyers. However, most PAPs will not qualify under this law	No requirement for this.	Consultants will assist with administrative processes. Legal assistance may be provided on a case-by case basis, where administrative remedies have been exhausted.
Entitlements in case of physical displacement	<p>Category 1 and 2 should receive a choice of replacement property of equal or higher value, or cash compensation at full replacement value where appropriate. See paragraph 31.</p> <p>Category 3 should receive a choice of options for adequate housing with security of tenure. See paragraph 32.</p> <p>All categories are entitled to resettlement/ relocation assistance. See paragraph 30.</p>	Compensation provided to previous (formal) owners of property is defined as fair compensation in cash or in kind (replacement property). When compensation is provided in cash, it is determined "in the amount of the market value of similar properties in the area, increased by any losses of income during the resettlement period, depending on the manner the property was used and the costs of resettlement" (Article 35). When compensation is provided in kind, the previous owner is provided with replacement property plus the payment of all accompanying costs (losses of income during the resettlement period, depending on the manner the property was used and the costs of resettlement).	The law specifies cash compensation in most cases. There are options for replacement assets under specific circumstances. Resettlement assistance is not required.	Category 3 people (those without title to the land they occupy) will be offered replacement housing with title. Resettlement assistance will be provided.
Impacts on host communities	Identify and assess potential adverse impacts of the resettlement process on host communities and include mitigation measures agreed with the host community in the RAP. See paragraph 34.	The resettlement does not involve creating a resettlement community and hence there is no host community.	Not Applicable as there will be no resettlement site.	

Livelihoods	Livelihoods may consist of wage-based incomes and/or incomes derived by individuals, families and/or communities from resource utilisation. See footnote 13.	In case of economic displacement affected persons (including those with informal incomes/livelihoods) are not entitled to livelihood restoration assistance. However, it can be provided in the framework of other national laws;	No entitlement to livelihood restoration.	Livelihood restoration, including people with informal incomes, will be established.
Entitlements in case of economic displacement (temporary or permanent)	<p>Category 1 and Category 2 should receive:</p> <ul style="list-style-type: none"> • compensation for loss of assets or access to assets, at full replacement cost • replacement property of equal or greater value, or cash compensation at full replacement cost. See paragraph 37, bullet 3. <p>Category 3 should receive:</p> <ul style="list-style-type: none"> • Loss of assets other than land (crops, irrigation infrastructure) at full replacement cost. See paragraph 37, bullet 5. <p>All three categories should receive:</p> <ul style="list-style-type: none"> • compensation for the cost of re-establishing commercial activities elsewhere (paragraph 37, bullet 2) • compensation for lost net income during the period of transition (paragraph 37, bullet 2) • compensation for the costs of the transfer and reinstallation of the plant, machinery or other equipment (paragraph 37, bullet 2) • transitional support based on a reasonable estimate of the time required to restore their income-earning capacity, production levels, and standards of living (paragraph 37, bullet 7). • additional targeted assistance (credit facilities, training, or job opportunities) and opportunities. Owners of businesses and employees losing pay or employment are eligible (paragraph 37, bullet 6). • Assistance to offset any loss of a community’s commonly held 	The rulebook on the methodology for assessment of property value defines the methodology used for assessment of the property value. It also describes the institutional arrangements for property value assessment and purpose of the assessment.	All aspects are missing for those without formal title to land and assets. Only some aspects of transitional support are provided.	The TA has agreed to include these aspects, though they need to be implemented in a timely manner as they are currently lagging behind the expropriation process.

Loss of public amenities	To mitigate loss of public amenities, undertake meaningful consultation with the locally affected community to identify and agree upon a suitable alternative where possible. See paragraph 40.	Reconnection to utilities is the responsibility of respective government agencies responsible for water, electricity etc.	There is potential for impacts to fall in gaps	Coordination between ministries is needed.
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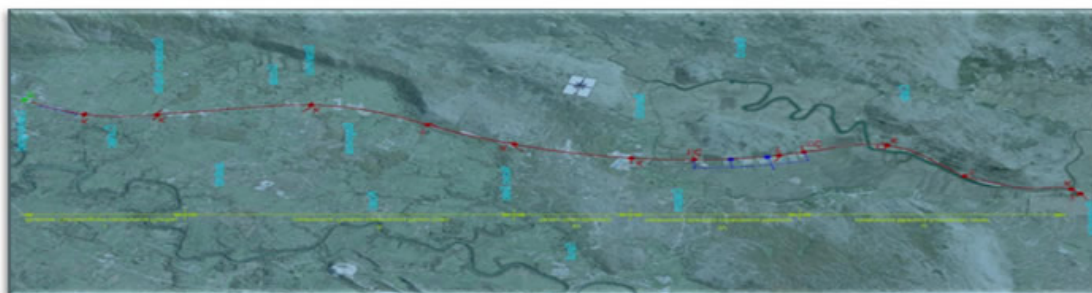
Appendix 2 Register of non-confidential information for affected privately-owned plots of land to be acquired

Appendix 3. Leaflet for SES.



OBAVJEŠTENJE

Rekonstrukcija i modernizacija dijela magistralnog puta M-18 Danilovgrad-Podgorica



Obavještavamo zainteresovanu javnost, da će za potrebe realizacije projekta "Studije procjene uticaja na životnu sredinu i socijalnog okruženja za projekat rekonstrukcije i modernizacije dionice puta M-18 Podgorica-Danilovgrad", **biti sprovedeno socio-ekonomsko istraživanje među fizičkim i pravnim licima, naseljenim u zoni trase puta Podgorica- Danilovgrad, tokom marta 2019.godine.**

Direkcija za saobraćaj Podgorica, IV proleterske
E-mail: direkcijazasaobracaj@dzs.gov.me
Telefon: +382 20 655 095, 655 364

Appendix 4 SES and resettlement impact study.

2 Methodology

The survey was conducted in the period of 9-14 March and amended on 13-16 May 2019, by four professional and experienced interviewers–surveyors. Based on the expropriation study / census, consultants prepared separate questionnaires for four distinct types of affected parties (land owners):

1. Households losing only land (only economic resettlement);
2. Households losing land and home (economic and physical resettlement);
3. Private business entity losing only land (only economic resettlement)
4. Private business entity losing business completely (economic and physical resettlement).

Different versions of the questionnaire were used for HH experiencing economic resettlement alone and those experiencing both physical and economic resettlement. Additional questions were included for businesses. The surveys used are included in Appendix 6 and 7). An information leaflet (see Appendix 5) explaining the purpose and scope of the survey and providing contact details for additional information was displayed in prominent public locations 5 days prior beginning of survey.

In addition, each surveyor explained the purpose and confidentiality of the data gathered to the interviewee at the beginning of the interview.

3 Sampling

The expropriation study identified a relatively high number of land owners with 415 private individuals, who own 476 affected parcels, and 41 private legal entities owning 76 affected parcels.

The overall number of owners and parcels meant that it was not feasible to survey everyone so the team designed a sampling strategy. The strategy focused on a subset of landowners and occupiers who were identified as being “critically affected land owners”. The designation was based on triangulation with data from the Montenegrin Geoportal, Google Earth and a site visit. It identified the land owners who would be among those most affected by the land acquisition, based on one or more of the following parameters:

- Part of the land-owner’s backyard is affected
- The owner’s dwelling is affected
- The expropriation zone passes very close to the dwelling
- Business premises and property assets (parking, fence, etc) are affected on site
- Significant amount of agriculturally activate land to be acquired (more than 50% of the parcel)

These initial studies identified 107 critically affected land owners, of which 22 were companies and 85 were private individuals. Interviewers were able to located all but three of the 22 critically affected companies for interview and all but 10 of the 85 individual landowners. In addition, 14 of the 85 individual landowners refused to be interviewed. The interviewers decided to compensate for the absent and refused interviews by interviewing non-critically affected landowners. In total four interviews involved non-critically affected businesses and 24 interviews involved non-critically affected individual landowners. This means that in total 108 interviews were carried out, with the potential to understand a full range of critical and non-critical land-acquisition impacts.

In addition, five informally constructed structures were identified during the SES. The team attempted to interview the owners of these structures but were only successful in one case. This brought the total number of SES interviews to 109, as shown in Table A4.1.

Table A4.1 – Number of respondents to the Socio-economic survey

Respondents of Socio-economic survey	Number
Total number of interviewed land owners	108
Private Legal Entities	23
Private individuals	85
Identified illegal dwelling objects	5
Interviewed owner of illegal object	1

4 RESULTS OF SOCIO-ECONOMIC SURVEY FOR HOUSEHOLDS

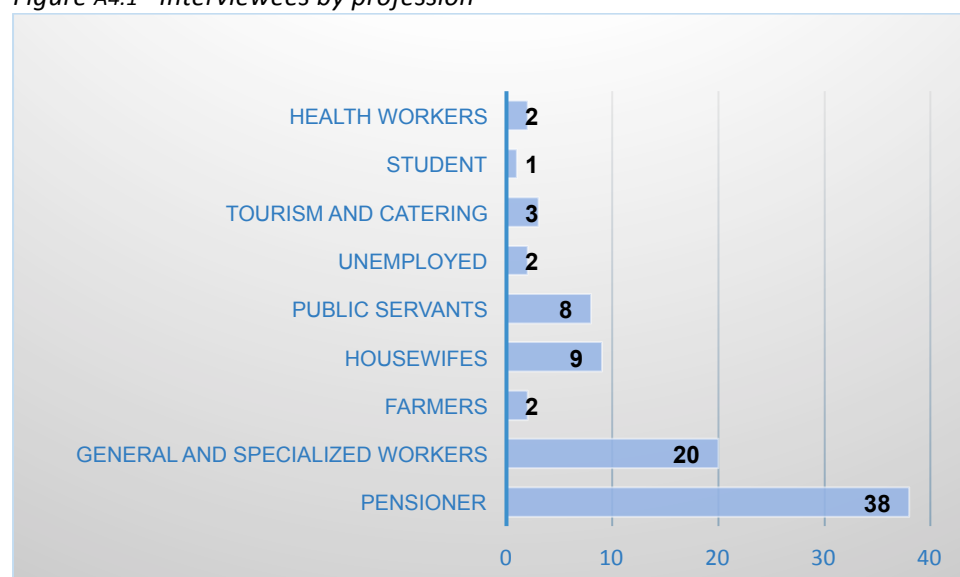
Individual Households

Total number of respondents was 85 private individuals (households), of which 63 interviewees are male and 25 are female.

Majority of the respondents to the survey were retired persons (22), while the professional background of the remaining respondents is quite diverse (mechanic, electrician, photographer, hotelier, technician, police inspector, entrepreneur, general worker, TV realization, administrative worker (3), catering chief, driver and dental technician). Among the interviewed here are also two housewives, a student and a temporary jobless person.

The following figure shows the profile of Interviewees by profession.

Figure A4.1– Interviewees by profession



The interviewed households consist mainly of 2-4 members, followed by 5-7 members. The following table gives overview of distribution of households by family members.

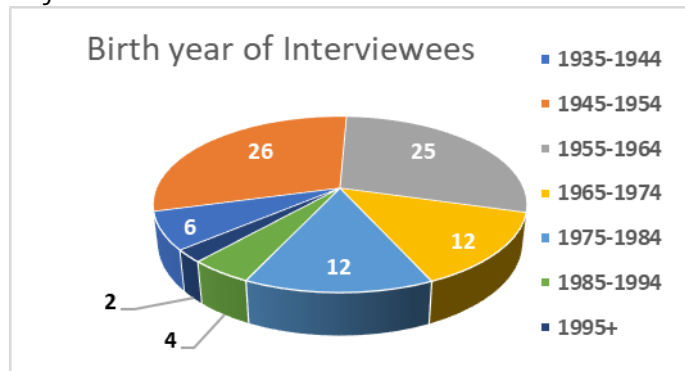
Table A4.2 – Household members structure

Number of members in the household			
1	2-4	5-7	8+
9	45	29	2

•

Most of the interviewed private individuals land owners are born between year 1945 and 1964 (see following graphic).

Figure A4.2 – Birth year of the Interviewees



Monthly income in the household ranges from 125 EUR, up to 2500 EUR. Regular incomes from salary ranges between 300EUR up to 1250EUR. Regular income from pension ranges between 125 EUR up to 678 EUR.

Table A4.3 – Monthly Income in the Household

Income in the household range	EUR
Up to 300	16
From 301 to 400	12
From 401 to 500	5
From 501 to 600	7
More than 601	6
Total Respondents	46
Unwilling to disclose	39
TOTAL	85

Residents who will be affected with this project and are living in the project area, particularly next to the existing road, provide their livelihood mainly from salary-based livelihood activities, pension, some business and some small-scale agricultural activities, but only for personal use.

According to the level of incomes in the household the survey identifies the following scheme: Salary as an income is present in 58 Households, Pension in 46 households, renting dwelling is 1 household, seasonal work present at 1 person and other regular sources is present at 2 households. The combination of income sources is presented on the following table.

The high number of households which were unwilling to disclose income data is not unusual and survey income data are well known to be challenging to collect in a reliable format.

Table A4.4 – Combination of Sources of Income in the Household

Number of households	Sources of income
3	Other Regular Income
1	Salary + Pension + Rental
1	Salary + Seasonal Work
24	Salary + Pension
30	Salary
20	Pension
2	Salary + Agriculture
1	Salary + Pension + Agriculture
2	Salary + Other

Land-use

The land use for all parcels of land that are to be acquired was determined by triangulating data from aerial photographs, the early March 2019 road route reconnaissance and data from the SES.

The Overview of general land-use in the project area (from expropriation study data) is summarized in Table X (below).

Table A4.5 – Overview of land and ownership structure

Type of land	Total		Private Individuals		Legal Entities	
	Number of parcels	Affected area (m ²)	Number of parcels	Affected area (m ²)	Number of parcels	Affected area (m ²)
Backyard	27	2541	23	2393	4	148
Meadow	237	73505	197	52205	40	21300
Field	63	13786	57	11799	6	1987
Orchard	16	2931	16	2931	0	0
Pasture	85	20384	80	19601	5	783
Infertile land	22	5208	17	5098	5	110

Type of land	Total		Private Individuals		Legal Entities	
	Number of parcels	Affected area (m ²)	Number of parcels	Affected area (m ²)	Number of parcels	Affected area (m ²)
Uncharted road	7	394	4	216	3	178
Forest	81	61441	72	54784	9	6657
Vineyard	4	761	3	756	1	5
Business backyard	6	1995	2	426	4	1569
Rocky land	3	3989	3	3989	0	0

Data collected from the critically-affected HH in the SES suggests that corn is regularly sown in three households, but none of the parcels with corn are affected. Other crops include potato, onion and garlic, along with the diverse green types of salads and cabbage are the most common and present vegetable in the garden of the interviewed households. Tomato, paprika and some wheat is also present, but only in three households.

Various fruit trees with long tradition of cultivation in the area can be found in almost every backyard. The most common fruit trees are apples, plums, grapes, cherry, fig and pear, as well as quince, chestnut, and walnut.

There are two households that receive subsidies for agricultural production from the government.

Differential Impacts

The survey asked questions about the infirmity of household members and about social transfers from social care or other social help transfers, to assess categories of sensitivity recognized in Montenegro. These questions failed to identify vulnerable households, although, due to the sampling approach these cannot be ruled out.

The income data is incomplete and the household size is not linked to the income data, making it difficult to assess the adequacy of income at the household level.

Roma households face a language barrier in relation to engagement with the Project and there may be issues in other households with literacy and education level, requiring additional supports such as targeted engagement and support with documentation.

The advanced age of some household heads may indicate that transportation support will be required if all people are to be able to access consultations and expropriation processes.

Gender of household head is not addressed in the SES. Although women have relatively high levels of education and access to employment in Montenegro, there are significantly less well paid than men and are less well represented politically. This means that female-headed households may require additional support for negotiation as well as additional support linked to livelihood restoration and replacing assets.

Informality

Informally constructed houses and businesses are a recognized problem in Montenegro, with over 100,000 of these structures recognized in the country in the 2013 census. The 2009 law on Ownership and Property rights provides pathways for the legalization of informally-built structures, where these structures were built 'conscientiously'. However, this conflicts with the spatial planning law, which requires informally-built structures to be demolished.

The SES identified a total of 4 informally constructed dwellings, three on governmentally owned land and one on private land. Only one of the owners of the informally-constructed houses was willing to be interviewed.

During the interview the owner of this house (see Figure A4.3) provided evidence that his house, which is on private land had been legalized 1.5 years ago. Consequently, the problem may be that the data provided by the cadastre or in Acquisition plan is not fully updated. The owner stated that he was still waiting for a civil engineer to appraise his property and objects, for the purpose of expropriation.

Figure A4.3 – Informally constructed dwelling objects on private owned land, KO JASTREB



The informal houses on government land are all on the same government plot and consist of one single house and three houses in a group (see Figure A4.4)

Figure A4.4 – Illegally constructed dwelling objects on governmentally owned land, KO Novo Selo



The group of houses are owned by Roma families, who use the adjacent land for scrap metal recycling activities and refused to be interviewed for the SES. Two of these houses will require physical resettlement in order to accommodate the final road route.

The owner of the single house (See Figure A4.5), also refused to engage with the interviewers. He stated that he has engaged lawyers to deal with his case.

Figure A4.5 – Illegally constructed dwelling objects on governmentally owned land, KO TOLOŠI



IMPACTS ASSESSMENT

5 RESULTS OF SOCIO-ECONOMIC SURVEY FOR PRIVATE LEGAL ENTITIES

Due to the significant number of legal entities that own land, as well as the dependency of the companies to the proximity of the road, a separate questionnaire for these PAPs was created, and it was conducted (fulfilled) in the same period as the survey for the households.

Only three companies operate on a local level, five on the national level and two of the interviewed companies operate on international level, among which one has approx. 450 employees in total, while these business premises are solely for retail purposes. This company operates since 1994. and it is among the oldest in the area, along with the furniture production factory active since 1980. Photos of each of the businesses can be found in Appendix 5.

Four companies interviewed stated that their business is not dependent on proximity to the road, while the six consider that their business depends on the road proximity due to the transport of material and products (3) and availability of access and parking to the customers. Interviewed Gas station is highly dependable on the road proximity.

Though, those companies who rely on the access to their premises expressed doubt that their business will experience some fluctuations with this project, companies who serve road travellers will experience some positive change in their business.

6 PHYSICAL DISPLACEMENT

Physical resettlement is anticipated for the **Hotel Pejovic**, located in Curilac.

Hotel Pejovic, a family run business, with a parking lots in front of the hotel, as well as inside in part of the backyard shall be expropriated and dismantled. The hotel (see Appendix 4), officially operates an area of 380m² (unofficially 450m²) of business premises.

This hotel business will be terminated, and the income of the household will stop.

Additionally, the household that runs the family hotel, and whose members dwell into the same business premises, will also be resettled.

Table A4.6 – Overview of losses of Hotel Pejovic

Indicator	Quantity
Backyard	720m ²
Business Premises	450 m ²
Number of members in the household	2 The household consists of two separate one person households. The owner and the hotel manager.
Preferred Compensation	Cash
Incomes in the household	1 st Person (HH 1) = Pension and income from the hotel 2 nd Person (HH 2) = Salary

In addition, two of the three informally built Roma households will need to be resettled. No information has yet been collected regarding the households, except for the observation that the households are occupying government land and carry out metals recycling activities on adjacent government land.

No other structures and business are expected to be physically resettled with construction of this road.

7 ECONOMIC DISPLACEMENT

LAND USE

Business land use

A significant portion of the Project consists of widening an existing road, which means that a limited strip of land is acquired either on one side (West side) or both sides of the road. In an effort to avoid displacement, during the design of the road widening areas, TA preferably chose acquisition of

public and unused land over privately-owned land. Land with structures, particularly houses and business facilities was avoided to the extent possible.

Due to the direct access to the road, accompanied by loss of the local landowners' personal interest in agricultural activities, this road started becoming a certain kind of industrial area in which, throughout the years, some businesses found location and resources which were suitable for them to develop and manage their business. Therefore, some small-scale family business entities may be found next to the road, mainly organized as some car retail and workshops premises (few abandoned), general retail, catering (restaurants), packing production facility, furniture production workshop, as well as other types of workshops.

The Overview of general impacts on business property is presented in the following table.

Table A4.7 – Overview of land and ownership structure – businesses

Type of land	Legal Entities	
	Number of parcels	Affected area (m ²)
Backyard	4	148
Meadow	40	21300
Field	6	1987
Orchard	0	0
Pasture	5	783
Infertile land	5	110
Uncharted road	3	178
Forest	9	6657
Vineyard	1	5
Business backyard	4	1569
Rocky land	0	0

Several companies that will experience expropriation of non-dwelling and business structures, such as fences, parking lots, access roads, and other. It is not anticipated that other resource losses will have significant impacts on business livelihoods and non 'business backyard' assets are expected to be compensated fully through cash payments for assets.

As can be seen from the photographs in Appendix 5 most of the businesses are set back from the road, with the areas that will be expropriated forming parking lots and barriers. Some businesses have narrow parking lots along the road and expropriation will remove almost all of the parking lot leaving business buildings including a shop front very close to the new highway. This is likely to require livelihood restoration measures, including potential for transitional assistance or temporary support, while business assets are reconfigured into a format that enables the businesses to continue to prosper.

Private household land use

The Overview of general impacts on household property is presented in the following table. Approximately 40% of the private land that needs to be acquired is rocky and completely unused for individual purposes so most of the affected land is not used in agricultural or business purpose. The land that will be acquired for the purpose of this project is predominantly in private land with meadows, forest, pastures and dominantly unused fields. There are minor agricultural activities conducted in the backyards of the property, mainly gardening vegetable, and its purpose is predominantly for personal use.

Table A4.8 – Overview of land and ownership structure – businesses

Type of land	Private Individuals	
	Number of parcels	Affected area (m ²)
Backyard	23	2393
Meadow	197	52205
Field	57	11799
Orchard	16	2931
Pasture	80	19601
Infertile land	17	5098
Uncharted road	4	216
Forest	72	54784
Vineyard	3	756
Business backyard	2	426
Rocky land	3	3989

Of the critically-affected households interviewed, 3 noted agricultural production as a significant income source and two noted that they were in receipt of agricultural subsidies from the government. These households are likely to face livelihood impacts as part of the expropriation process and may require livelihood restoration, transitional assistance or temporary support to restore their livelihoods and compensate for losses while crops regrow.

The detailed asset assessment of crops and structures has not been completed along the alignment and will need to include an understanding of both the overall livelihood assets owned by each landowner / landuser, as well as the portion of that land that will be lost and its importance to livelihood.

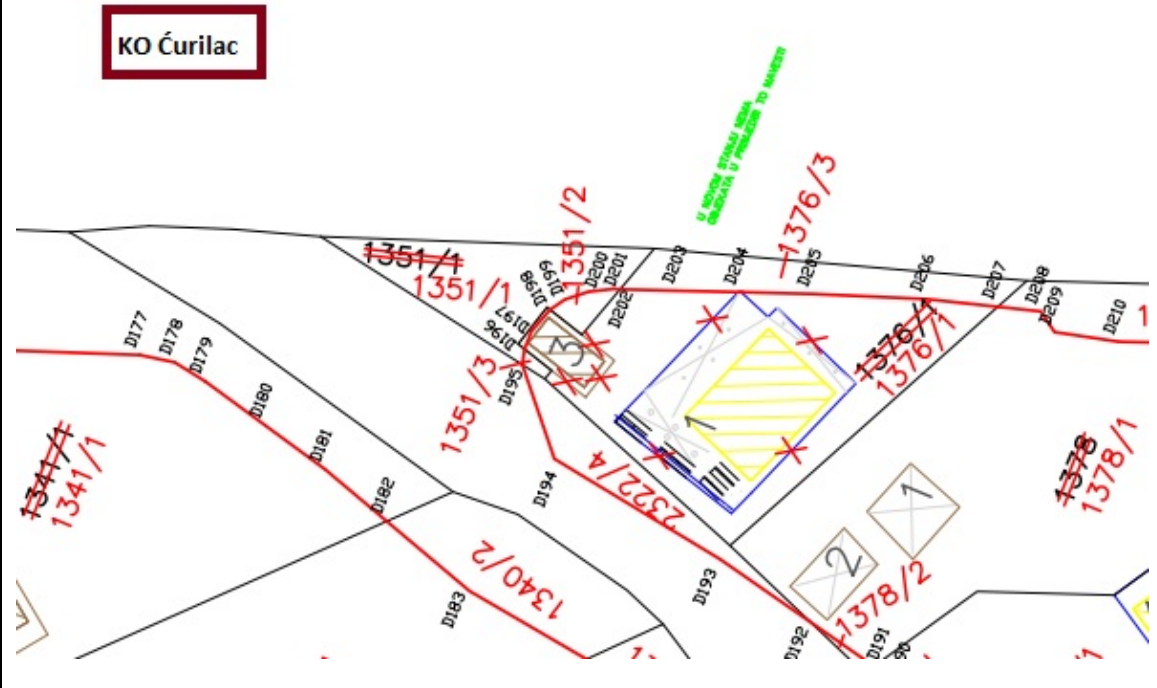
As an unregistered business, the Roma metal recycling operation would be included as a private business loss. Little is yet understood about the potential livelihood impacts related to this expropriation and the focus would be on compensating for lost livelihood assets and livelihood restoration, with no requirement to compensate for lost land.

Appendix 5 Photographs of affected businesses and informally-built houses.

HOTEL PEJOVIC



KO Ćurilac



OTHER AFFECTED BUSINESSES



Euro petrol



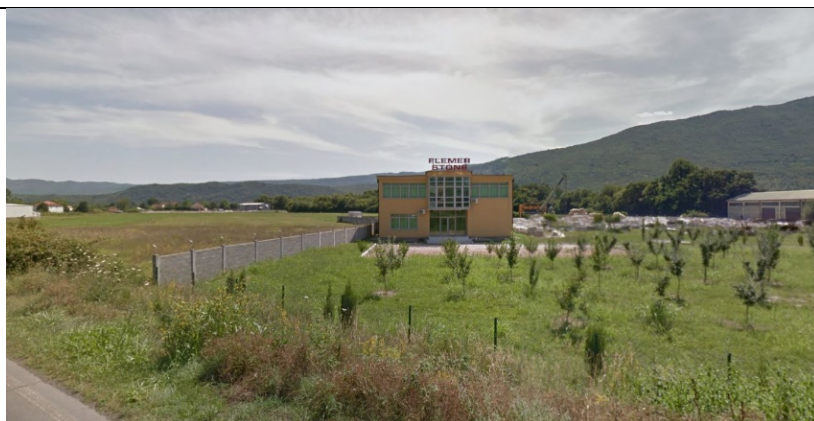
Okov



Restoran Perper



Car service



Flamer stone



Tehnički pregled Kalezić



Drvomont



IVECO



HALA (pored Iveca)



Workshop



Auto Centre Rakočević



Montecco



Unknown Business premises



Ataco



Djak Outlet

Appendix 6. SES survey for households



Datum: _____



Broj upitnika: _____

UPITNIK ZA DOMAĆINSTVA

A. OPŠTI PODACI

1. Ime i prezime: _____ 5. Zanimanje: _____
 2. Godina rođenja: _____ 6. Telefon: _____
 3. Pol: _____ 7. Etnička pripadnost: _____
 4. Naselje: _____

B. PARCELE KOJE SU POD UTICAJEM PROJEKTA I / ILI PREDMET EKSPROPIJACIJE**8. Navesti sve parcele ispitanika na koje projekat ima uticaj**

(Popunjava anketar, prije anketiranja i predaje se vlasniku zemljišta)

Br.	Broj parcele	Vrsta/Namjena zemljišta	Ukupna površina (m ²)	Površina koja će biti eksproprisana (m ²)	Površina zemlje koja ostaje (m ²)
1					
2					
3					
4					

C. DOMAĆINSTVO**9. Članovi domaćinstva:**

Napomena: Odgovori na pitanja 9.1 - 9.6 upisuju se za svakog člana domaćinstva pojedinačno uključujući i ispitanika. Upitnik popunjava glava domaćinstva ili drugo punoljetno lice u domaćinstvu.

R.br.	9.1. Članovi domaćinstva (Upisati imena svih članova domaćinstva)	9.2. Pol 1. Muški 2. Ženski	9.3. Odnos sa glavom domaćinstva: 1. Glava domaćinstva 2. Suprug/a 3. Sin/ki 4. Otac/majka nosioca 5. Brat/sestra 6. Ostali srodnici	9.4. Godine starosti ako je <1, upisati 0	9.5. Stepen obrazovanja 1. Nezavršena ili završena osnovna škola 2. Završena srednja škola 3. Završena viša škola 4. Završen fakultet 5. Završene postdiplomske/ doktorske studije 6. Ima ispod 6 godina 7. Ne želi da odgovori	9.6. Trenutno zanimanje? a. Zaposlen/a b. Privatno preduzeće c. Državno preduzeće 2. Vodi sopstveni biznis 3. Penzioner/ka 4. Poljoprivrednik 5. Domaćica 6. Nezaposlen/a 7. Student/Đak 8. Ima manje od 6 godina 9. Ne želi da odgovori	9.7. Mjesečni prihod (EUR)
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							

D. STANOVANJE**10. Kuća / stan u kojem živite je izgrađen je _____ godine, i to je:**

1. U sopstvenom vlasništvu
 2. Iznajmljeno / pripada rođacima
 10.1 Površina (m²) = _____
 10.2 Broj spratova = _____
 10.3 Broj soba (Vaš dio) = _____
 10.4 Broj članova domaćinstva u kući = _____

11. Kuća, koja se nalazi na zemljištu/imovini koja će biti predmet eksproprijacije, koristi se kao:

1. Stalni stan - Ovo je moj dom
 2. Sezonski- Ovo je moja vikendica



12. Koliko dugo živite u ovoj kući _____

12.1. Odakle su vaši preci migrirali: _____

13. Vaše domaćinstvo / kuća ima:

Vodu iz	Kanalizaciju:	Toalet	Grijanje
1. Javne vodovodne mreže	1. Javna mreža	1. Unutrašnji	1. Struja
2. Hidrofor	2. Septičke jame	2. Spoljni	2. Drvo / Briket / Pelet
3. Bunar	3. Izlivanje u prirodni recipient/ potok	3. Nema toaleta	3. Ostalo: _____

E. NEPOKRETNOSTI U VAŠEM VLASNIŠTVU

14. Nabrajete ostale nekretnine koje posjeduje vaše domaćinstvo:

Vrsta objekta (+ Lokacija)	Površina (m ²)	Dozvola (Da/Ne)	Lokacija/ Naselje
1. Kuća (trenutno)			
2. Kuća 2			
3. Stan			
4. Poslovni prostor			
5. Garaža			
6. Štala			
7. Prodavnica			
8. Ostalo: _____			
9. Ostalo: _____			

15. Lista poljoprivrednog zemljišta koje posjeduje Vaše domaćinstvo:

Tip zemljišta	Ukupan broj parcela	Ukupna površina (m ²)	Lokacija / Naselja	Dozvola(Da/Ne)
1. Šume				
2. Pašnjak				
3. Livada				
4. Polje				
5. Vinograd				
6. Dvorište/Bašta				
7. Voćnjak				
8. Tip i broj stabala				

16. Lista stoke, živine, košnica i kućnih ljubimaca:

Vrsta stoke, živine, košnica i kućnih ljubimaca	Broj jedinica	Starost

F. AKTIVNOST I PRIHODI U DOMAĆINSTVU

17. Redovni i ostali prihodi u mom domaćinstvu dolaze iz:

Redovni prihodi	Prosječni mjesečni prihod (EUR)
1. Plata	
2. Penzija	
3. Kamatna stopa	
4. Iznajmljivanje poljoprivrednog zemljišta	
5. Iznajmljivanje stana	
6. Socijalna i slična primanja	
7. Ostalo: _____	

Ostali prihodi	Prosječni godišnji prihod (EUR)
1. Sezonski rad	
2. Prihodi iz inostranstva	
3. Ostalo: _____	

18. Prihodi vašeg domaćinstva dolaze od angažovanja u:

Poljoprivredne aktivnosti	Prosječni sezonski prihod (EUR)
1. Baštovanstvo	
2. Voćarstvo	
3. Uzgoj stoke	
4. Vinogradarstvo	
5. Kultivacija zemljišta	
6. Šumarstvo	

Poslovne aktivnosti	Prosječni godišnji prihod (EUR)
1. Maloprodaja	
2. Usluge	
3. Proizvodnja	
4. Ostalo: _____	



12. Koliko dugo živite u ovoj kući _____

12.1. Odakle su vaši preci migrirali: _____

13. Vaše domaćinstvo / kuća ima:

Vodu iz	Kanalizaciju:	Toalet	Grijanje
1. Javne vodovodne mreže	1. Javna mreža	1. Unutrašnji	1. Struja
2. Hidrofor	2. Septičke jame	2. Spoljni	2. Drvo / Briket / Pelet
3. Bunar	3. Izlivanje u prirodni recipient/ potok	3. Nema toaleta	3. Ostalo: _____

E. NEPOKRETNOSTI U VAŠEM VLASNIŠTVU

14. Nabrajete ostale nekretnine koje posjeduje vaše domaćinstvo:

Vrsta objekta (+ Lokacija)	Površina (m ²)	Dozvola (Da/Ne)	Lokacija/ Naselje
1. Kuća (trenutno)			
2. Kuća 2			
3. Stan			
4. Poslovni prostor			
5. Garaža			
6. Štala			
7. Prodavnica			
8. Ostalo: _____			
9. Ostalo: _____			

15. Lista poljoprivrednog zemljišta koje posjeduje Vaše domaćinstvo:

Tip zemljišta	Ukupan broj parcela	Ukupna površina (m ²)	Lokacija / Naselja	Dozvola(Da/Ne)
1. Šume				
2. Pašnjak				
3. Livada				
4. Polje				
5. Vinograd				
6. Dvorište/Bašta				
7. Voćnjak				
8. Tip i broj stabala				

16. Lista stoke, živine, košnica i kućnih ljubimaca:

Vrsta stoke, živine, košnica i kućnih ljubimaca	Broj jedinica	Starost

F. AKTIVNOST I PRIHODI U DOMAĆINSTVU

17. Redovni i ostali prihodi u mom domaćinstvu dolaze iz:

Redovni prihodi	Prosječni mjesečni prihod (EUR)
1. Plata	
2. Penzija	
3. Kamatna stopa	
4. Iznajmljivanje poljoprivrednog zemljišta	
5. Iznajmljivanje stana	
6. Socijalna i slična primanja	
7. Ostalo: _____	

Ostali prihodi	Prosječni godišnji prihod (EUR)
1. Sezonski rad	
2. Prihodi iz inostranstva	
3. Ostalo: _____	

18. Prihodi vašeg domaćinstva dolaze od angažovanja u:

Poljoprivredne aktivnosti	Prosječni sezonski prihod (EUR)
1. Baštovanstvo	
2. Voćarstvo	
3. Uzgoj stoke	
4. Vinogradarstvo	
5. Kultivacija zemljišta	
6. Šumarstvo	

Poslovne aktivnosti	Prosječni godišnji prihod (EUR)
1. Maloprodaja	
2. Usluge	
3. Proizvodnja	
4. Ostalo: _____	



19. Poljoprivredna proizvodnja na parcelama koje su pod uticajem projekta:

Vrsta usjeva / voća	Godišnja proizvodnja	Broj godina/koliko dugo proizvodite	Godišnji prihod	1) Za prodaju 2) Za ličnu upotrebu

20. Poljoprivredna proizvodnja na ostalim parcelama:

Vrsta usjeva / voća	Godišnja proizvodnja	Broj godina/koliko dugo proizvodite	Godišnji prihod	1) Za prodaju 2) Za ličnu upotrebu

21. Subvencije za poljoprivredne / poslovne aktivnosti:

Državne institucije	Svrha	EUR (godišnje)	Ostale institucije	Svrha	EUR (godišnje)

G. DRUŠTVENO OSJETLJIVA PITANJA I RANJIVOSTI

22. Navedite broj osoba kojima je potrebna medicinska i / ili institucionalna pomoć, koje žive u vašem domaćinstvu: _____

23. Navedite broj ljudi koji žive u vašem domaćinstvu i koji primaju bilo kakvu vrstu socijalne pomoći: _____

24. Navedite razloge za primanje socijalne pomoći:

25. Vaši komentari?

Anketar: _____



DODATNA PITANJA ZA LICA-OBJEKTE KOJI ĆE BITI RASELJENI

26. Svrha i vrsta objekata koja su predmet ovog ciklusa eksproprijacije

Br.	Vrsta objekta koja će biti predmet eksproprijacije	Namjena objekta	Površina prizemne etaže (m2)	Ukupna korisna površina (m2)	Godina izgradnje

27. Ukoliko vaše domaćinstvo doživljava fizičko preseljenje (premiještanje), molimo Vas da procijenite nivo štetnog efekta koji će preseljenje imati na:

Važna pitanja	Vi	Vaš suprug/a	Odraslo dijete	Odraslo dijete 2	Neko drugi	Neko drugi	Neko drugi	Neko drugi
1. Životni standard								
2. Društvene veze								
3. Obrazovne mogućnosti								
4. Kulturni život								
5. Porodični odnosi								
6. Zdravlje								
7. Drugo								

Nivo štetnog uticaja (0 = Nema štetnog uticaja, 1 = Nizak, 2 = Umjeren, 3 = Značajan, 4 = Visok, 5 = Veoma visok, 99 = Bez odgovora)

28. Koja vrsta naknade za preseljenje Vam najviše odgovara?

1. Gotovina
2. Kompenzacija
3. Nova kuća
4. Ostalo _____

29. Da li imate drugu kuću / stan u koji se možete preseliti?

1. Da
2. Ne, idi na pitanje 30.

30. Ukoliko imate drugu kuću ili stan, molimo navedite šta druga kuća / stan ima:

Vodu iz	Kanalizaciju:	Toalet	Grijanje
1. Javne vodovodne mreže	1. Javna mreža	1. Unutrašnji	1. Struja
2. Hidrofor	2. Septičke jame	2. Spoljni	2. Drvo / Briket / Pelet
3. Bunar	3. Izlivanje u prirodni recipijent/ potok	3. Izlivanje u prirodni recipijent/ potok	3. Ostalo _____

31. Navedite šta bi od ponudnog bilo važno za odabir lokacije za preseljenje:

Važna sadržaji	Vi	Vaš suprug/a	Odraslo dijete	Odraslo dijete 2	Neko drugi	Neko drugi	Neko drugi	Neko drugi
1. Životne navike i / ili blizina radnog mjesta								
2. Blizina članova porodice (rođaci)								
3. Blizina obrazovnih institucija/mogućnosti								
4. Blizina druge lične imovine								
5. Blizina zdravstvenog centra								
6. Blizina prijatelja								
7. Gradsko naselje i prisustvo institucija								
8. Drugo								

Nivo važnosti (1 = Nevažno, 2 = Malo važno, 3 = Srednje važno, 4 = Veoma važno, 5 = Od suštinske važnosti)

Anketar: _____

Appendix 7. SES for businesses



Datum: _____



Broj upitnika: _____

UPITNIK ZA PRIVREDNE SUBJEKTE

A. ZA ISPITANIKU

1. Naziv privrednog subjekta: _____

2. Ime i prezime vlasnika: _____

3. Ime i prezime ispitanika: _____

4. Pozicija u firmi: _____

5. Telefon: _____

B. OPŠTI PODACI

6. Vrsta djelatnosti: _____

7. Da li Vaša kompanija posluje na:

1. Lokalnom nivou,
2. Nacionalnom nivou,
3. Međunarodnom nivou.

8. Preduzeće je aktivo/osnovano od _____ godine.

9. Da li je preduzeće službeno registrovano kao privredni subjekat:

1. Da
2. Ne

10. Broj zaposlenih:

10.1 Prijavljenih na puno radno vrijeme: _____

10.2 Prijavljenih na pola radnog vremena: _____

10.3 Neregistrovani zaposleni (volonteri): _____

C. POSLOVNE AKTIVNOSTI

11. Molimo opišite vaše poslovne aktivnosti:

12. Da li vaš posao zavisi od blizine puta:

1. Da, Zašto _____

2. Ne

13. Molimo da ocijenite u kojoj mjeri se sledeće tvrdje odnose na Vaše poslovanje:

Br.	Izjava	Ocjena
1.	Moji klijenti su vozači i putnici na ovom putu	
2.	Ja ću imati finansijske gubitke ukoliko izgubim direktan pristup ovom putu	
3.	Naše poslovanje može se lako obnoviti i pored otkupa zemljišta	
4.	Naša kompanija će napredovati sa novim proširenim putem	
5.	Proširenje puta može dovesti do većeg protoka saobraćaja što može uticati na povećanje poslovnih prihoda	
6.	Privremeno ometan pristup mojim poslovnim prostorijama može izazvati finansijski gubitke (gubitak klijenata)	
7.	Potreban nam je pristup ovom putu za naše distributere/dobavljače/ prevoznike svakodnevno	
8.	Nova putna infrastruktura će umanjiti vrijednost moje imovine	
9.	Posao će se ugasiti ako se pojavi novi put	
10.	Aktivnosti izgradnje puta će privremeno povećati profit naše kompanije	

Ocjene (1 = ne odnosi se na moje poslovanje, 2 = ima neznan uticaj; 3 = odnosi se na moje poslovanje, ali samo djelimično; 4 = odnosi se na moje poslovanje; 5 = u potpunosti se odnosi na moje poslovanje)

Anketar: _____