

Government of Montenegro



**Ministry of Ecology, Sustainable Development and Northern Region
Development**

Ministry of Agriculture, Forestry and Water Management



RESETTLEMENT POLICY FRAMEWORK (RPF)

Prepared for

**Montenegro Water Security and Climate Adaptation Phase 1 Project
(P512709)**

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LIST OF ABBREVIATIONS AND ACRONYMS

Abbreviation	Full Name
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESMF	Environmental and Social Management Framework
ESS	Environmental and Social Standard
GRM	Grievance Redress Mechanism
GRS	World Bank Grievance Redress Service
IBRD	International Bank for Reconstruction and Development
JKP	Javno Komunalno Preduzeće (Public Utility Company)
MAFWM	Ministry of Agriculture, Forestry and Water Management
MERS	Ministry of Ecology, Sustainable Development and Northern Region Development
MPA	Multi-Phase Programmatic Approach
WASEC	Montenegro Water Security and Climate Adaptation Project
PAPs	Project Affected Parties
PDO	Project Development Objective
PIU	Project Implementation Unit
PROCON	National Project Implementation Unit in the Field of Communal Services and Environment
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
RWSCMC	Regional Water Supply Company for Montenegrin Coast
SEP	Stakeholder Engagement Plan
TSU	Technical Support Unit
WB	World Bank

Definitions glossary

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

Livelihood	Refers to the full range of means that individuals, families and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource-based livelihoods (ecosystem services), petty trade and bartering.
Moving allowance	Compensation for costs directly associated to moving/relocation of the household or business. This may be paid in cash or by direct moving support (logistics such as moving trucks, labor and alike). In-kind arrangements shall be subject to request and agreement by the PAPs.
Physical displacement	Loss of shelter and assets resulting from the property acquisition associated with the Project that requires PAPs to move from home, work place or business premises to another location.
Project Affected Person (PAP)	Any person who, as a result of the implementation of the (sub)-project suffers impacts is referred to as a Project Affected Person.
Replacement cost	Replacement cost is defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets acceptable minimum community standards of quality and safety. The valuation method for determining replacement cost should be documented and included in relevant resettlement planning documents. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons.
Restrictions on land use	Refers to limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of the project. These may include restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, and restrictions on land use within utility easements or safety zones.
Stakeholders	Any and all individuals, groups, organizations, and institutions interested in and potentially affected by a Project, or having interest in and the ability to influence the Project.
Transitional allowance	Refers to one-off (cash or other) assistance to be provided for relocation of household members and their possessions (or business equipment and inventory) to be provided for households choosing cash compensation and securing their own replacement housing, including construction of new housing. If planned relocation sites (for residences or businesses) are not ready for occupancy at the time of physical displacement, the plan establishes a transitional allowance sufficient to meet temporary rental expenses and other costs until occupancy is available.
Moving allowance	Refers to one-off (cash or other) assistance to cover relocation costs of household members and their household inventory (or business equipment and inventory)
Vulnerable group/individuals	Refers to people below the poverty line, the landless, the elderly, women and children, and those who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status may be more adversely affected by resettlement than others or who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits.

1. INTRODUCTION AND PROJECT BACKGROUND

1.1. Background and description of the WASEC project

The Montenegro Water Security and Climate Adaptation Project (WASEC) is Phase 1 of a ten-year Multi-Phase Programmatic Approach (MPA) designed to transform Montenegro's water sector and support the country's EU accession agenda. The project is financed by the International Bank for Reconstruction and Development (IBRD)¹ and the OPEC Fund for International Development, with a total project cost of approximately US\$ 58 million (IBRD: US\$ 35 million; OPEC Fund: US\$ 23 million).

The Project Development Objective (PDO) is to improve water security and climate-resilient water services in Montenegro.

The project is organized into four components:

- Component 1 — Strategic Investments in Water Services Infrastructure and Resilience (approx. EUR 40 million): Finances the rehabilitation, modernization, and expansion of water supply and sewer networks through 21 priority subprojects across municipalities in the coastal, central, and northern regions of Montenegro.
- Component 2 — Integrated Approaches for Coastal Water Security (approx. EUR 5 million): Covers expansion of the Malo Blato lake water treatment facility (Lake Skadar) and hydromorphological and hydrogeological studies of the Morača River.
- Component 3 — Strengthening the Enabling Environment for Water Sector Governance (approx. EUR 2.5 million): Supports institutional and policy reforms, including the National Strategy for Water Services Development, tariff methodology revision, and a digital benchmarking platform.
- Component 4 — Project Management (approx. EUR 2.5 million): Finances PIU (PROCON) operational costs and project coordination.

^{1 1} The International Bank for Reconstruction and Development (IBRD) is the legal entity within the World Bank Group that finances this project. "World Bank" and "IBRD" are used interchangeably throughout this document and refer to the same institution.

2. PRINCIPLES AND OBJECTIVES GUIDING THE PREPARATION AND IMPLEMENTATION OF RESETTLEMENT

This Resettlement Policy Framework (RPF) establishes the key principles for land acquisition and resettlement, ensuring that the process and outcomes are materially compliant with:

- legislation in Montenegro; and
- the World Bank's Environmental and Social Framework (ESF), particularly ESS5: "Land Acquisition, Restrictions on Land Use and Involuntary Resettlement".

2.1. Estimated Impacts and Justification of the RPF

Land-related impacts associated with the project may occur primarily under Component 1. Such impacts may include direct land purchase, land acquisition through expropriation, the establishment of access rights (e.g., easements and rights-of-way), and project-related restrictions on land use. The project will support activities across Montenegro hence the likelihood, scale, locations, and zone of impact of such activities, as well as their effects on structures, fixed assets, and livelihoods, are not yet fully known at this stage. However, land requirements are expected to be moderate and largely limited to privately owned agricultural land. Most project activities are expected to consist of rehabilitation works carried out on existing public land. However, some sub-projects in certain municipalities may require land acquisition. It is also possible that project-affected land may be occupied by informal or unauthorized users in some locations. Any such cases will be identified and addressed through the screening and due diligence process in line with the requirements of this RPF and ESS5.

For Component 2, no outstanding issues related to previous land acquisition at Bolje Sestre have been identified, and there are no ongoing court proceedings or land disputes associated with the site. Since all planned works will take place within the boundaries of existing public land, the activities are not expected to require additional permanent land acquisition or cause temporary disruptions to access to land, livelihoods, or economic activities. As the project is being implemented through a multiphase program covering a large number of municipalities and water and wastewater systems across Montenegro, the exact location and scope of individual sub-projects are not yet known. As a result, it is not possible to determine all potential land-related impacts at this stage. For this reason, an RPF is the most appropriate instrument, rather than preparing site-specific Resettlement Action Plans (RAPs) in advance. The RPF sets out the principles, procedures, and responsibilities that will guide the management of land acquisition and resettlement issues and provides a framework for screening and assessing potential impacts in accordance with national legislation and ESS5.

Once individual sub-projects are identified, the necessary due diligence will be carried out and, where required, site-specific RAPs will be prepared in proportion to the risks and impacts identified. No physical or economic displacement will take place until the relevant plans have been prepared, consulted with affected stakeholders, and approved by the World Bank.

2.2. Objectives of this RPF

The objective of this RPF is to establish the principles, procedures, institutional arrangements, and implementation mechanisms to be applied where Project activities result in land acquisition, restrictions on land use, or involuntary resettlement, in accordance with ESS5. Given the Substantial risk rating of the Project, this RPF will be cleared by the World Bank prior to disclosure.

Specifically, the RPF:

- defines procedures for impact screening, due diligence, and compliance with national legislation and ESS5;
- presents a gap analysis between national law and ESS5 and measures to ensure full alignment with international good practice;
- establishes eligibility criteria, valuation methods, and an entitlement matrix to ensure compensation at full replacement cost;
- sets out principles for minimizing impacts, restoring livelihoods, and providing additional support to vulnerable groups and women;
- clarifies institutional roles and responsibilities for implementation;
- defines consultation, disclosure, and stakeholder engagement requirements throughout the resettlement process;
- establishes monitoring, reporting, and evaluation mechanisms; and
- provides a Project-level Grievance Mechanism to enable affected persons to raise concerns and obtain timely resolution free of charge.

This RPF ensures that any resettlement impacts arising under the Project are managed in material compliance with ESS5.

This RPF could be triggered where WASEC activities result in any of the following, whether or not physical displacement occurs:

- Permanent acquisition of land (public or private) for project infrastructure.
- Temporary occupation of land during construction (including for staging areas, access tracks, or pipe storage).
- Restrictions on access to or use of land due to safety zones, rights-of-way, or other project requirements.
- Economic displacement, including loss of crops, trees, businesses, or livelihoods resulting from land acquisition or access restrictions.

3. DESCRIPTION OF THE PROCESS FOR PREPARATION AND APPROVAL OF RESETTLEMENT PLANS

3.1. Resettlement instruments

3.1.1. The social analysis of sub-projects focuses on land acquisition, restrictions on land use, and involuntary resettlement impacts.

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

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

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

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

3.1.2. RAPs

Minimum elements of the RAP

The scope and level of detail of the RAP vary with the magnitude and complexity of resettlement caused by the sub-project. The plan is based on up-to-date and reliable information about (a) the proposed sub-project and its potential impacts on the displaced persons and other adversely affected groups, (b) appropriate and feasible mitigation measures, and (c) the legal and institutional arrangements required for effective implementation of resettlement measures.

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

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

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

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

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

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

These include:

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

3.1.3. Process of development and approval of RAPs

Activities on the preparation of site-specific, sub-project RAPs will be disclosed in the way to enable meaningful participation of PAPs. That assumes the phase of preliminary preparations will include disclosure of preparations for population census, disclosure of census results while respecting privacy of personal information, disclosure of socio-economic baseline assessment, as well as disclosure of RAP drafts. The purpose of public disclosure and discussions is to ensure meaningful participation of PAPs in the preparation, implementation, and monitoring process of resettlement instruments, drawing from best practices highlighted in similar projects worldwide.

Census surveys and baseline socioeconomic studies form the core elements of the RAP. The purpose of a household-level census is to identify and enumerate PAPs and develop an inventory of affected

assets. The census survey also serves other essential functions:

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

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

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

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

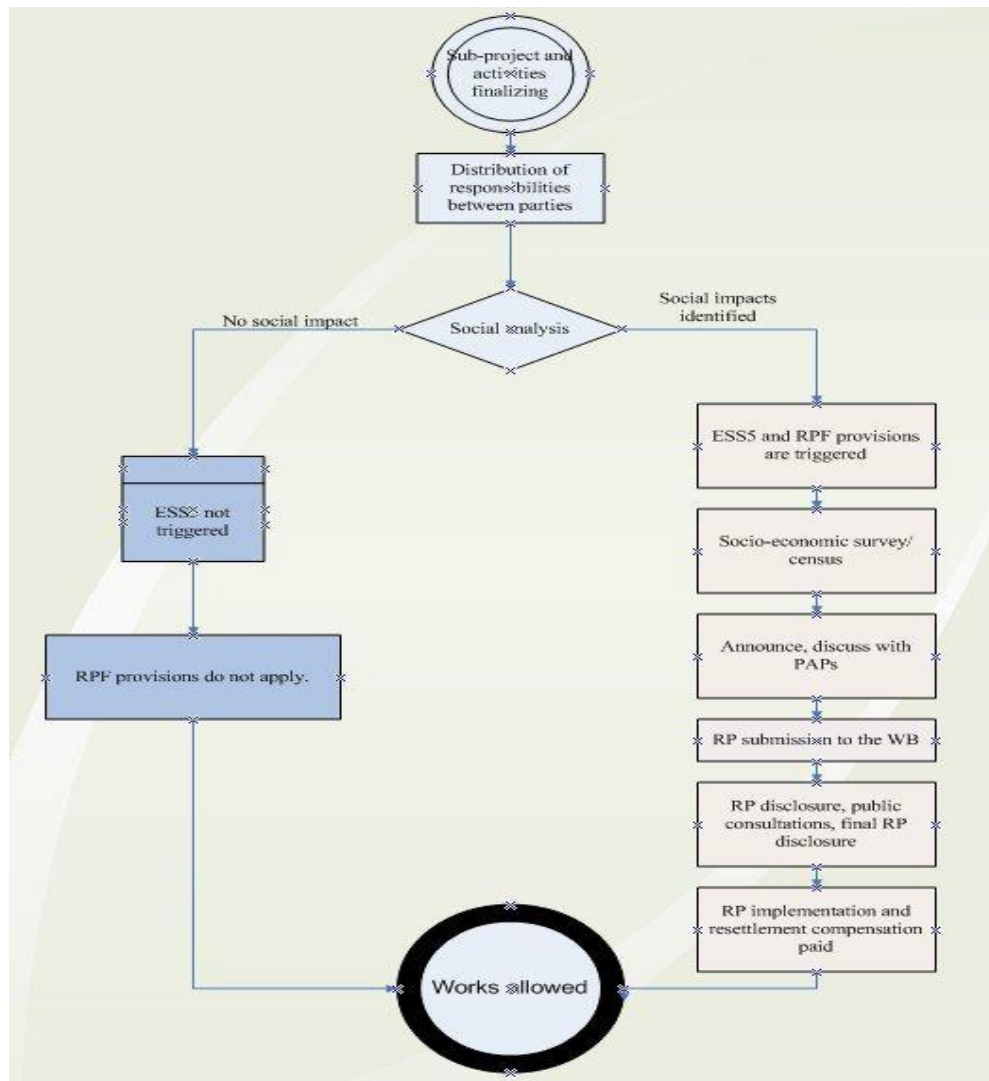


Figure 1 - RAP approval flow chart

3.1.4. RAP implementation

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

Resettlement Audit

This Environmental and Social Standard (ESS) 5 applies to permanent or temporary physical and economic displacement undertaken prior to or in parallel with project implementation, anticipating or preparing for the project. If such cases are identified through the Social analysis of sub-projects, an audit will be undertaken by a Resettlement specialist (to be hired on a need basis in such cases) to: (a) document and assess the adequacy of the mitigation measures employed in light of the ESS5; (b) assess compliance with national legislation; (c) identify gaps in meeting the requirements of ESS5 and this RPF;

(d) identify any complaints, grievances, or other outstanding issues; and (e) determine measures to close identified gaps and address complaints. This due diligence is undertaken within an agreed upon time frame that takes into account the context of the project and significance of the prior resettlement. It may not be possible to retroactively satisfy certain aspects of ESS5, such as consultation and disclosure. The due diligence may include review of relevant documents, field visits, interviews, and

consultations held with affected persons and other key stakeholders. The Bank's clearance of such audit report, and the implementation of gap filling measures, is the pre-requisite for the start of subprojects in such cases.

This section establishes the requirements for preparing, approving, and implementing site-specific resettlement instruments under this Resettlement Policy Framework (RPF). It comprises two parts: Part 1 sets out the sequential process from site screening through to World Bank approval and verified RAP implementation; Part 2 prescribes the minimum content and structural requirements applicable to any Resettlement Action Plan (RAP) or Livelihood Restoration Plan (LRP) prepared in connection with Project activities. The two parts are complementary and must be read and applied together.

A non-negotiable condition of this RPF is that no expropriation proceedings may be formally initiated until a site-specific Resettlement Action Plan (RAP) has been prepared, cleared by the World Bank, and disclosed. Equally, no land may be taken and no civil works may commence at any affected site until the RAP has been fully implemented. Full implementation is understood to encompass the payment of compensation at full replacement cost, the provision of resettlement assistance, transitional and livelihood restoration support, and all other entitlements to which affected persons are entitled under the RAP, prior to their displacement. For each WASEC subproject that triggers ESS5, the following ten-step process shall be followed:

Table 1 Process for preparation and approval of resettlement plans

Step	Description
Step 1	Site Screening: The PIU (PROCON) E&S Specialist shall conduct an E&S screening of each proposed subproject using the screening checklist attached as Annex 1. The screening shall determine whether land acquisition, temporary access restrictions, or economic displacement are anticipated, and whether a full RAP or an Abbreviated RAP (for impacts affecting fewer than 200 persons) is required.
Step 2	Census of Affected Persons: Once a subproject's alignment is sufficiently defined, a socioeconomic census of all affected persons shall be conducted. The census shall identify all PAPs by name, household composition, land tenure category, assets affected, and livelihoods at risk. The cut-off date shall be announced and recorded at the start of the census.
Step 3	Detailed Impact Assessment: On the basis of the census, a detailed assessment of all affected assets shall be prepared, including land area (permanent and temporary), structures, crops, trees, business assets, and access rights affected. Asset valuations shall be conducted by an independent licensed valuer applying replacement cost methodology.
Step 4	Preparation of the Entitlement Matrix: Based on the impact assessment, an Entitlement Matrix (consistent with Section 6 of this RPF) shall be prepared for each subproject, specifying the compensation and assistance package for each category of PAP and each type of impact.
Step 5	Meaningful Consultation: A minimum of two rounds of consultation shall be conducted with all PAPs: the first to present the draft impact assessment and entitlement matrix; the second to present the draft RAP and receive feedback before finalization. Consultations shall be conducted in Montenegrin, at times and locations accessible to all affected persons, including women and persons with disabilities.
Step 6	Draft RAP Preparation: Integrating the census data, impact assessment, entitlement matrix, consultation record, and livelihood restoration plan into a draft RAP document, consistent with the requirements of ESS5 and the template provided in Annex 2 of this RPF.
Step 7	Internal Review: The PIU (PROCON) Social Specialist shall review the draft RAP for compliance with this RPF and ESS5. The PIU shall confirm that all PAPs have been identified, all impacts have been assessed, and the entitlement matrix is complete and consistent.

Step 8	Disclosure: The draft RAP shall be disclosed publicly on the PIU (PROCON) website and at the relevant municipal offices, in Montenegrin and English, for a minimum comment period of 14 calendar days before submission to the World Bank.
Step 9	World Bank Approval: The draft RAP shall be submitted to the World Bank for review and approval. Civil works on the relevant site shall not commence until World Bank no-objection has been received.
Step 10	Implementation and Monitoring: Compensation and all resettlement assistance shall be paid in full to all eligible PAPs before land access for civil works is granted. The PIU shall monitor RAP implementation and report progress in semi-annual E&S progress reports to the World Bank.

4. ASSESSMENT OF RESETTLEMENT IMPACTS AND ESTIMATED NUMBER AND CATEGORIES OF DISPLACED PERSONS, TO THE EXTENT FEASIBLE

Given that sub-project locations under Component 1 have not yet been determined, this RPF adopts a broad and precautionary approach to the identification of potential impacts and losses. The entitlement matrix and mitigation measures detailed herein cover the full range of potential impacts, irrespective of specific site characteristics, and will be applied and adapted as appropriate in each site-specific RAP according to international best practices.

5. ELIGIBILITY CRITERIA FOR DEFINING DIFFERENT CATEGORIES OF DISPLACED PERSONS

All Project-affected persons who lose land, access to land, assets, or resources due to WASEC sub-projects are entitled to compensation and assistance under this RPF, regardless of their formal legal rights status. Eligibility is established through the census conducted prior to the cut-off date for each sub-project.

5.1. Classification of Affected Persons According to ESS5

In accordance with ESS5, affected persons may be classified as persons who:

- (a) have formal legal rights to land or assets;
- (b) do not have formal legal rights to land or assets, but have a claim to land or assets that is recognised or recognisable under national law; or
- (c) have no recognisable legal right or claim to the land or assets they occupy or use.

Category (a) — Persons with formal legal rights. Affected persons who have formal legal rights to land or assets are those who possess formal documentation under national legislation proving their rights, or whose rights are explicitly recognised by national legislation without the need for additional documentation. In the simplest case, the land is duly registered in the name of individuals or communities. Persons holding a land lease are entitled to compensation for investments made to the land (structures, crops, infrastructure), but not for the land itself.

Category (b) — Persons with recognisable claims. Affected persons who do not have formal legal rights to land or assets, but have a recognised or recognisable claim under national law, may belong to various groups. They may have used the land for generations without formal documentation, based on customary or traditional land use arrangements accepted by the community and recognised by national legislation. In other cases, persons may never have received formal title deeds, or their documents may be incomplete or lost. They may also have a claim based on adverse possession if they have used the land for a certain period according to national law, without any formal challenge by the owner.

Category (c) — Persons without legal rights or recognisable claims. Affected persons who have no recognisable legal right or claim to the land or assets they occupy or use are also eligible for assistance under ESS5. These may be seasonal resource users, such as herders, livestock keepers, fishermen, or hunters (although if the rights of such users are recognised under national law, they may belong to category (a) or (b)). They may also be persons occupying land contrary to applicable laws. Persons in this category have no right to compensation for land, but are entitled to livelihood support assistance and compensation for assets they own.

5.2. Cut-Off Date

A cut-off date will be formally established and publicly announced for each sub-project before the commencement of census activities. The cut-off date for formal owners is the date of submission of the expropriation proposal to the competent authority, as stipulated by the Law on Expropriation. The cut-off date for informal users is the commencement date of the baseline socio-economic survey.

Persons who establish presence at a project site after the applicable cut-off date will not be eligible for compensation or assistance. They will, however, be given adequate advance notice to vacate and will not face fines or sanctions.

5.3. Entitlements

The specific entitlements applicable to each category of affected person and each type of impact are set out in the Entitlement Matrix in Chapter 7 of this RPF.

6. LEGAL FRAMEWORK — ANALYSIS OF CONSISTENCY WITH ESS5 AND MEASURES TO ADDRESS GAPS

6.1. Requirements of World Bank ESS5 Standard

This RPF is prepared in accordance with ESS5 – Land Acquisition, Restrictions on Land Use and Involuntary Resettlement of the World Bank's Environmental and Social Framework (ESF).

The application of this RPF aims to ensure that:

- Involuntary resettlement is avoided where feasible, or minimized by exploring all viable alternative project designs. Where involuntary resettlement is unavoidable, appropriate measures to mitigate adverse impacts on displaced persons and host communities are carefully planned and implemented.
- Forced evictions are avoided.
- Displaced persons are assisted in improving, or at least restoring, their livelihoods and living standards to pre-displacement levels or to levels prevailing prior to the beginning of Project implementation, whichever is higher.
- Displaced persons receive compensation at full replacement cost and other assistance so that they are not made worse off as a result of the Project.
- Particular attention is paid to the needs of vulnerable groups among those displaced, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, where applicable.
- Resettlement activities are conceived and implemented as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the Project, as the nature of the Project may allow.
- Resettlement is planned and implemented with appropriate disclosure of information, meaningful consultation, and informed participation of those affected.

6.2. Legal framework in Montenegro

The primary legal instrument governing land acquisition and expropriation in Montenegro is the Law on Expropriation (Zakon o eksproprijaciji), which outlines the conditions, procedures, and compensation standards for the compulsory acquisition of private property for public purposes. Complementary instruments include:

- Law on Property Relations — establishes property rights, ownership categories, and cadastral registration.
- Law on Construction of Structures — governs land use planning and rights-of-way for infrastructure.
- Law on Waters — establishes water protection zones and associated land use restrictions.
- Law on Agricultural Land — governs compensation for loss of agricultural land productivity.
- Law on Courts — provides judicial recourse for disputes arising from expropriation decisions.

6.3. Gap Analysis: National Law vs. ESS5

The table below identifies key gaps between Montenegrin national legislation and World Bank ESS5, and specifies how this RPF bridges those gaps.

Table 2 Key gaps between Montenegrin national legislation and World Bank ESS5

Issue	National Law Position	ESS5 Requirement	RPF Bridging Measure
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Compensation standard	Market value of land and structures, assessed by official valuer	Full replacement cost, including transaction costs and taxes	Compensation under this RPF is calculated at full replacement cost, with all transaction costs borne by the Project
Informal/unregistered occupants	Not entitled to compensation for land	Entitled to resettlement assistance and compensation for non-land assets	Informal occupants identified in the census are eligible for all non-land asset compensation and resettlement assistance
Livelihood restoration	Not explicitly required beyond property compensation	Active measures to restore income and livelihoods required	All RAPs shall include a livelihood restoration plan for economically displaced persons
Cut-off date	Not a standard legal concept	Census cut-off date required to determine eligibility	A formal cut-off date shall be established for each subproject at the start of the census process
Consultation requirements	Notification to affected owners required; no minimum consultation standard	Meaningful consultation with all affected persons required	Minimum two rounds of consultation required for each RAP, as specified in Section 5
Vulnerable groups	No specific provisions	Additional support required for vulnerable affected persons	Supplemental assistance for vulnerable PAPs required in all RAPs
Grievance mechanism	Judicial and administrative appeal rights	Accessible, independent, non-judicial GRM required	Project GRM established at site and PIU level with defined response timelines

6.4. Other relevant laws

The Constitution of Montenegro promotes civil and human rights, prohibition of discrimination, gender equality etc. Based on the Constitution ratified international agreements and generally accepted rules of international law shall make an integral part of the internal legal order, shall have the supremacy over the national legislation and shall apply directly when they regulate relations differently than the national legislation. This provision of the Montenegrin Constitution serves as a significant tool for the direct implementation of World Bank Environmental and Social Standards across all Project aspects. Furthermore, the Constitution of Montenegro proclaims protection and guarantees of human rights embodied in the International Bill of Human Rights. On May 11, 2007, Montenegro became a full member of the Council of Europe with all its rights and obligations. In Table below are presented the most relevant MNE laws and regulations of relevance to the process of involuntary land acquisition and resettlement:

Table 3 The most relevant MNE laws and regulations of relevance to the process of involuntary land acquisition and resettlement

Law	Description
Law on the Legalization of Illegal Constructions (Official Gazette No. 91/2025)	The Government of Montenegro has adopted a new Law on the Legalization of Illegal Buildings, providing citizens with an opportunity to legalize existing unauthorized structures while enforcing a zero-tolerance policy on future illegal constructions. A recently commissioned satellite survey will identify all illegal changes across Montenegro's territory, and sanctions will be applied impartially according to the law. This legislation aims to end decades of unregulated development by

	establishing a system of planned, responsible, and lawful construction. Key provisions include: • Mandatory registration of legalized buildings in the real estate cadastre within six months, after which registration will no longer be possible. • Clear criteria for which buildings are not eligible for legalization. • Specific regulations for legalizing buildings in protected zones. • Division of responsibilities: local governments will handle legalization of buildings up to 500 m², while a ministerial state body, the Legalization Administration, will manage larger buildings and those in protected areas. • Procedures for assessing structural and seismic stability, including protocols if a building is deemed unstable. • Detailed rules for legalization of collective buildings and land acquisition or payment when illegal buildings are on state-owned land. • Obligations for Notaries: to respect restrictions preventing property transfer or business activities on illegal buildings without initiated legalization procedures. • Once legalization is approved, external building appearance does not need further approval. • Public call will be issued for owners of illegal buildings on state land to register their properties within six months; after this deadline, unregistered buildings will be registered under the landowner, i.e., the State. This legislation is expected to preserve Montenegro's limited spatial resources, increase municipal revenues through legalization fees, and improve standards of urban and infrastructure improvements to enhance quality of life.
Law on property relations (Official Gazette No. 019/09)	Stipulates fundamental provisions of property relations, including the right of ownership and other rights in rem, possession of movable and immovable property, as well as the manner of acquiring, transfer, termination and protection of ownership rights, co-ownership and joint ownership rights, right on yields emanating from owned thing, easement rights etc. • Defines that property rights are acquired through the creation of a new thing (i.e. construction), merging, mixing, construction on another's land, separation of fruits, adverse possession, acquisition of property from non-owners, occupation and in other cases determined by law.
Law on Restitution of Property Rights and Compensation (Official Gazette No. 21/04, 49/07, 60/07, and in 2024)	This law governs the restitution and compensation for property confiscated during the socialist era. It prioritizes the return of confiscated property to former owners when feasible. If restitution is not possible, compensation may be provided in the form of monetary payments, bonds, or other state-owned

	assets. Eligible beneficiaries include individuals and legal entities whose property was taken for public, state, social, or cooperative purposes without fair compensation. The law establishes a Government-level Compensation Fund and mandates the maintenance of a restitution claims register, managed by the Commission for Restitution and Compensation under the Ministry of Finance. In practice, implementation is complex and gradual, with limited restitution progress and delays in issuing compensation bonds. Due to a disconnect between this law and the Expropriation Law, coordination with the Ministry of Finance during Resettlement Action Plan (RAP) development is necessary.
Law on Construction of Structures (Official Gazette No. 19/25)	This law provides a legal pathway for the legalization of informally constructed structures by allowing their formal inclusion in the national cadastre. It plays a critical role in the assessment of asset legality during resettlement planning. Importantly, the law also includes provisions for the protection of primary residences: if an informally built primary home is subject to expropriation, the responsible municipality is obliged to provide alternative housing to the affected household.
Law on General Administrative Procedure (Official Gazette of Montenegro, No. 56/14, 20/15, 40/16, and 37/17)	This law governs the rules and principles under which state administration bodies, local self-government bodies, and other public authorities conduct administrative proceedings when deciding on the rights, obligations, and legal interests of natural and legal persons. It establishes key procedural principles such as legality, efficiency, proportionality, protection of acquired rights, and the right of parties to be heard, providing a unified framework for administrative action across Montenegro.
The Law on State Survey and Cadaster (Official Gazette No. 029/07, 032/11, 040/11, 043/15, 037/17 and 017/18)	Defines state survey, real estate cadastre and real estate registration, line cadastre, basic state map and topographic maps, state border survey, surveying and other issues of importance for state survey and cadastre. • Establishes the Real Estate Property Cadaster as a single public record. • Contains, inter alia, data on formal owners of the properties and data on expropriation. The law on State property (Official Gazette No. 021/09 and 040/11) - Stipulates fundamental provisions on public ownership and other proprietary rights of the State and local self-government units.
The Law on Expropriation (Official Gazette, No. 55/00, 12/02, 28/06, 21/08, 30/17, 75/18, 33/24 and 53/25)	Regulates the conditions, procedure, and authorities responsible for the expropriation of immovable property in Montenegro, allowing for the deprivation or restriction of ownership rights when required in the public interest, subject to the provision of fair compensation to the affected owners

6.5. Entitlement Matrix

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

- Physical displacement PAPs will be offered choices among feasible resettlement options, including adequate replacement housing or cash compensation at replacement cost and provided with relocation assistance suited to the needs of each group of displaced persons and appropriate to their loss of assets
- In all cases of economic displacement, when sub-projects affect livelihoods or income generation, measures will be designed to allow affected persons to improve, or at least restore, their incomes or livelihoods
- Forced evictions are prohibited. Forced evictions of persons who have no recognizable legal right or claim to the land or homes they occupy (squatters) and that have no other owned property, is not allowed. The project will offer them adequate housing with security of tenure so that they can resettle legally without having to face the risk of forced eviction in the future;
- Payment of compensation prior to taking possession of the property acquired for the Project is a general rule.

The universe of entitlements, eligibility for compensation and compensation evaluation methods for land acquisition and resettlement under this RPF are summarized in the Table 4 below. If at all, only impacts from permanent loss of construction, agricultural, forest land and/or pastures are expected. However, given the framework approach a wider matrix has been included under this RPF.

Table 4 Entitlement Matrix

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

Type of loss Economic Displacement	Person with rights	Compensation policy
Construction land used for business enterprise, regardless to severity of loss (whether partial or complete loss)	Owner with formal or recognisable title, or users of publicly/state owned construction land, and pre-nationalization owners	At property owner demand, if legal terms are met, replacement land of equal or higher value and similar value in direct proximity or in the surroundings of the expropriated land together with all costs of resettlement and administrative fees needed for transfer of ownership rights, if any, Compensation for all investments on land at replacement cost Costs of equipment relocation and installation Lost net income during the period of transition measured based on census survey Transitional allowance and assistance, equal to 3-month minimum wage at country level if needed.
	Lessee with valid documents of the right of lease	Compensation for all investments on land at replacement cost Costs of equipment relocation and installation Lost net income during the period of transition measured based on census survey Replacement land for lease, if land was leased from state, or transition support equal to 3 months' minimum wage at country level while identifying a viable alternative location, Compensation for all rent paid in advance, for the period not expired
	PAPs without formal title	PAPs without a formal title who were in possession of the land on Cut-off date will not receive compensation for the land, but will be compensated for all investments made on land at replacement cost. Moving allowance i.e. Costs of equipment relocation and installation Lost net income during the period of transition (measured based on census survey) Transitional allowance equal to 3-month minimum wage at country level, if needed

Type of loss Economic Displacement	Person with rights	Compensation policy
Agricultural or commercial (construction) land becoming economically unviable	Property owners, or users of publicly/state owned construction land	In case the remaining area of land is not viable (viability of land will be assessed on a case to case basis by an independent expert and will take into account economic indicators, and safety and accessibility for human use or occupancy), it can be expropriated upon PAPs request and compensated according to type of property.
<i>PLANTS AND STRUCTURES ON AGRICULTURAL LAND (other than houses)</i>		
Loss of annual crops, that could not have been harvested prior to land repossession	Owners of crops without regard to the legality and types of their tenure rights over the land	Cash compensation at replacement cost. Loss of annual crop will be avoided by adjusting construction schedule
Loss of perennial plants and trees (fruit bearing trees, vineyards and fruit bearing plants)	Owners of plants without regard to the legality and types of their tenure rights over the land	The right to collect fruits or lumber Cash compensation at replacement cost on the basis of sort, year and productive value, including the value of time needed to produce such crop and net income loss, as well as costs of investment (work and labour force), to plant a new vineyard, orchard or similar, till the moment it reaches the full fructuous potential.
Affected vineyards and orchards not yet fruit bearing		Cash compensation sufficient to re-establish or buy a similar vineyard or orchard, including the value of time needed to reproduce a replacement vineyard or orchard and net income loss.
Wood mass (mature or nearly mature)		The replacement cost determined based on the value of the “wood on the stump” at market value
Forests without mature wood mass		Cash compensation sufficient to re-establish a similar forest, including the value of time needed to reproduce a replacement forest and net income loss.
Nursery not yet yielding		Cash compensation sufficient to re-establish planting material (nursery and other reproductive material).

Type of loss Economic Displacement	Person with rights	Compensation policy
Buildings used for keeping and raising livestock (sheds, stables, etc.)	Owners of structures used for keeping livestock	Cash compensation at replacement costs, or; At property owner demand, if legal terms are met, appropriate replacement property + costs of resettlement and administrative fees needed for transfer of ownership rights, if any; transition support equal to 3-month minimum wage at country level while identifying a viable alternative location, if owner doesn't own alternative location. Lost net income during the period of transition (measured based on census survey) Transitional allowance equal to 3-month minimum wage at country level, if needed, if needed.
Impact on agricultural employees, or processors	Workers, employees	In case of disturbance of income source transition support equal to 3-month minimum wage at country level, Training for alternative jobs if possible and if needed; Priority in employment on the Project, if possible and on a case by case basis (In accordance with social assessment processed in RAPs)
<i>BUSINESS (but not agriculture)</i>		
Business structures (shops, offices buildings) etc.	Owners with formal title (including owner with legally recognisable claim)	Cash compensation at replacement costs, including taxes Costs of equipment and inventory relocation and re-installation transitional support equal to 3-month minimum wage at country level while identifying a viable alternative location Lost net income during the period of transition (measured based on census survey)

Type of loss Economic Displacement	Person with rights	Compensation policy
	Lessee operating in the premises under a valid lease contract	Compensation for all improvements on premises (such as reconstruction, refurbishment etc.). Compensation will be paid at replacement cost. Costs of equipment and inventory relocation and re-installation, transitional support equal to 3-month minimum wage at country level while and Compensation for the cost of identifying a viable alternative location Replacement premises for lease, if premises were leased from state Lost net income during the period of transition (measured based on census survey)
	PAPs, owners without formal title (building constructed without building permit on land they own, or land owned by third persons- commonly state owned)	Cash compensation for the building at replacement cost of the structure, including taxes Transitional allowance up to 3-month at the value of operation costs including Costs of equipment and inventory relocation and re-installation Compensation for the cost of identifying a viable alternative location
Loss of any non-agricultural business	Owner of business (regardless if formally registered or not as long as the activity is not sanctioned under the law)	Cost of moving, including compensation for immovable inventory and replacement cost of investment. Transitional allowance for 3-month of loss of net income during the period of transition (net income measured based on census survey) Appropriate level of support for improving the skills if necessary, to restore and/or diversify source of livelihood.

Type of loss Economic Displacement	Person with rights	Compensation policy
Loss of non-agricultural businesses	Workers, employees	If employment is terminated or disrupted due to land acquisition allowance on a one-off basis in the amount of three month's salaries will be paid commensurate with income loss. To be determined on a case to case basis Training for alternative jobs if possible. Priority in employment on the Project, if possible and on a case by case basis (In accordance with social assessment processed in RAPs)
Loss of buildings (houses, flats) leased and providing source of livelihood	Owner of property	Cash compensation for lost assets at full replacement cost Relocation cost (moving allowance) and cash compensation on a one-off basis (transitional allowance, if the rent was the main source of livelihood).
<i>PHYSICAL RESETTLEMENT</i>		
Buildings (residential, houses, apartments etc.)	Owner with formal title (including owner with legally recognisable claim)	Cash compensation at replacement costs, or; replacement property of equal or higher value, in direct proximity or in the surroundings of the expropriated property together with all costs of resettlement and administrative fees needed for transfer of ownership rights, if any; Payment for relocation costs (moving allowance) and compensation for other costs during relocation i.e. transitional support equal to 3-month minimum wage at country level (transitional allowance).
	Informal owner - building constructed without building permit on one's own plot of land if subject to legalization	
	Informal owner - building constructed without building permit on one's own plot of land or constructed without building permit on someone else's or state-owned - not eligible for legalization	Cash compensation for the building at replacement cost of the structure Provide arrangements to allow them to obtain adequate housing with security of tenure (if they don't own other structures) Payment for relocation costs (moving allowance) and compensation for other costs during relocation i.e. transitional support equal to 3-month minimum wage at country level
	Lessee of the affected property	Payment of moving allowance and compensation for other costs caused by relocation and cash compensation i.e. transitional support equal to 3-month minimum wage at country level.

Type of loss Economic Displacement	Person with rights	Compensation policy
	Lessee or person with occupancy right to state owned flat	Provide lease or occupancy rights of same kind of another equivalent, social or state-owned property in the vicinity. If equivalent state or socially owned flat is not available in the vicinity, PAP will be offered state or social owned flat more remote from the area of expropriated flat, Payment for relocation costs (moving allowance) and compensation for other costs during relocation i.e. transitional support equal to 3-month minimum wage at country level Transitional assistance suited to the needs of each group of displaced persons.
<i>OTHER RESETTLEMENT SITUATIONS</i>		
Publicly or state-owned buildings, or part of buildings	Informal users, squatters	Provide arrangements to allow them to obtain adequate housing with security of tenure (if they don't own other structures) Payment for relocation costs (moving allowance) and compensation for other costs during relocation and cash compensation on a one-off basis (transitional allowance). Transitional assistance suited to the needs of each group of displaced persons.
Loss of access to usual natural resources and buildings	Communities, businesses, individuals or households	Replacement of public ownership or conveniences (roads and similar) and provide access to equal conveniences or services. Measures will be implemented to either allow continued access to affected resources or to provide access to alternative resources with equivalent livelihood-earning potential and accessibility. Where community property resources are affected, compensation associated with restrictions on natural resource usage may be collective by nature
Impacts caused by temporary occupancy of land and any damages to the property	Property owner (including owner with legally recognisable claim)	Market price of lease for duration of the occupancy. The land must be returned to original condition. Improved quality of the land due to top soiling work should not be removed, except if agreed differently with PAP. Replacement cost in accordance with this matrix for affected crops, orchards, nurseries etc. Compensation for any damages to the property evaluated at replacement costs.

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

7. Consultation and disclosure

7.1. Public consultations

Stakeholder engagement and public consultations under this RPF shall be conducted in accordance with the principles, methods, and procedures defined in the project-level Stakeholder Engagement Plan (SEP).

The PIU will establish and maintain ongoing engagement with project-affected parties (PAPs) and other stakeholders throughout the project life cycle, ensuring:

- early and continuous consultations,
- meaningful, inclusive, and two-way communication,
- adequate consideration of stakeholder feedback in decision-making.

Consultations will aim to:

- ensure a common understanding of project impacts and duration,
- inform and enable participation in decisions affecting stakeholders,
- identify appropriate mitigation measures,
- ensure transparency in benefit-sharing and implementation.

Consultation methods, timing, and tools (e.g. public meetings, workshops, individual meetings, written comments, and online consultations) shall follow the approach defined in the SEP.

Special attention will be given to vulnerable and disadvantaged groups, in line with SEP provisions, to ensure their meaningful participation and access to information.

7.2. Public consultation on this RPF

Following the World Bank's No Objection, the draft RPF will be disclosed and subject to public consultation in accordance with the SEP disclosure and consultation framework. The RPF will:

- be disclosed on the PIU website and other relevant platforms,
- remain publicly available for at least 14 days prior to consultations,
- allow sufficient time for stakeholders to submit comments and questions.

Public consultations may be organized jointly with other project instruments, where appropriate. Stakeholders will be notified through communication channels consistent with the SEP, including:

- official ministry and PIU websites,
- local government websites and notice boards,
- public meetings and information sessions,
- national and local media,
- social media platforms.

The list of invitees will follow SEP stakeholder categories and include, inter alia:

- governmental institutions,
- PAPs and local communities,
- NGOs and civil society,
- academia and professional organizations,

- vulnerable and disadvantaged groups,
- media and the general public.

All feedback received during consultations will be documented, addressed, and reflected in the final RPF, in line with SEP requirements for documentation and response to comments.

7.3. Disclosure of documents

Disclosure of RPF-related documents (including RAPs and Resettlement Audits) shall be carried out in accordance with the SEP framework for information disclosure.

Documents will:

- be prepared in Montenegrin and English (and other languages if required),
- be made publicly available throughout the project life cycle,
- be disclosed in a timely and accessible manner,
- remain available through both electronic and physical formats.

Disclosure will follow a multi-channel approach defined in the SEP, including:

- PIU and relevant ministry websites,
- local government communication channels,
- public meetings and consultations,
- local and national media,
- social media platforms,
- hard copies at accessible locations.

Information will be presented in a clear, understandable format, with particular attention to:

- accessibility for vulnerable groups,
- use of non-technical summaries where needed,
- availability of hard copies to prevent digital exclusion.

The PIU will be responsible for ensuring compliance with all disclosure requirements.

7.4. Stakeholder Engagement Log (SEL)

In line with SEP requirements for documentation and monitoring of stakeholder engagement activities, the PIU will maintain a Stakeholder Engagement Log (SEL). The SEL will record all forms of engagement, including:

- public consultations,
- individual and group meetings,
- virtual engagements,
- informal discussions,
- written and electronic communication.

Each entry will include:

- stakeholder details,
- date, location, and method of engagement,
- summary of topics discussed,
- feedback received,
- explanation of how feedback was addressed or reasons for non-incorporation.

The SEL may be supported by:

- photos or video records (where appropriate),
- meeting documentation and materials.

The SEL will serve as a key tool for:

- monitoring SEP and RPF implementation,
- tracking stakeholder feedback,
- supporting reporting to the World Bank,
- evaluating inclusiveness and effectiveness of engagement,
- assessing participation in compensation and resettlement processes.

Responsibility for maintaining the SEL lies with the PIU's designated communication and stakeholder engagement specialist.

8. GRIEVANCE MECHANISM AND LEGAL REMEDIES

In accordance with ESS10, a Grievance Redress Mechanism (GRM) will be established under the Project to receive and address concerns and grievances from all project-affected and other interested stakeholders.

The Grievance Redress Mechanism (GRM) will be implemented through a coordinated system involving both central and local levels, ensuring accessibility, efficiency, and timely resolution of grievances.

At the central level, the Project Implementation Unit (PIU) will be responsible for the overall management of the GRM. This includes maintaining the central grievance registry, monitoring the status of all grievances, ensuring compliance with defined procedures and timelines, and reporting to the World Bank. The PIU will also be responsible for handling complex or escalated grievances and coordinating with relevant institutions.

At the local level, municipalities and contractors will serve as the first point of contact for stakeholders, particularly for grievances related to site-specific activities. Municipalities will facilitate communication with local communities and support the submission of grievances, especially for stakeholders with limited access to digital channels.

Contractors will be responsible for the immediate handling of operational and site-related grievances (e.g. construction impacts such as noise, dust, access restrictions, and safety concerns), in coordination with the PIU. A grievance submission point — such as a grievance box or similar intake mechanism — must be placed in a visible and accessible location at each construction site, as well as at the offices of relevant municipalities and water and sewage companies. In addition, the grievance mechanism should offer multiple channels for submitting complaints, which may include in person, by phone, by email, or in writing, to ensure it is accessible to all project-affected parties, including vulnerable groups, in line with ESS10. All grievances received at the local level will be promptly forwarded to the PIU for registration in the central grievance system.

This two-tier structure ensures that grievances are addressed as close as possible to their source, while maintaining centralized oversight, consistency, and accountability.

Regardless of the entry point, all grievances will be recorded, tracked, and reported through the central GRM system managed by the PIU.

The use of the GRM is free of charge and does not limit the right of complainants to access judicial or administrative remedies.

The system and requirements (including staffing) for the grievance redress chain of action – from registration, sorting and processing, and acknowledgement and follow-up, to verification and action, and finally feedback – are embodied in this GM. As a part of the GM outreach campaigns, PIU will make sure that the relevant staff are fully trained and has relevant information and expertise to provide phone consultations and receive feedback. The project will utilize the existing system (hotline, online, written and phone complaints channels) to ensure all project-related information is disseminated and complaints and responses are disaggregated and reported.

Initially, GM would be operated manually, however, development of an IT based system is proposed to manage the entire GM. Quarterly reports in the form of Summary of complaints, types, actions taken and progress made in terms of resolving of pending issues will be submitted for the review to the Head of PIU. Once all possible avenues of redress have been proposed and if the complainant is still not satisfied then the GM would advise of their right to legal recourse.

The GM shall serve as both Project level information center and grievance mechanism, available to those affected by implementation of all Project sub-components and be applicable to all Project activities and relevant to all local communities affected by project activities. The GM shall be responsible for receiving and responding to grievances and comments of the following four groups:

- A person/legal entity directly affected by the project, potential beneficiaries of the Project,
- A person/legal entity directly affected by the project through land acquisition and resettlement,
- Other interested parties with interest in the project, and
- Residents/communities interested in and/or affected by project activities.

The grievance mechanism shall be further equipped to receive, register, and facilitate the resolution of SEA/SH complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, and survivor-centered manner.

The PIU will cooperate with Local Governments in joint efforts to establishing functioning GM and informing stakeholders about the GM role and function, the contact persons, admission channels, and the procedures to submit a complaint in the affected areas.

Information on the GM will be available on:

- the PIU website: www.procon.me;
- on the notice boards and websites of LMs
- through social media campaigns.

8.1. Raising grievances

Effective grievance administration strongly relies on a set of fundamental principles designed to promote the fairness of the process and its outcomes. The grievance procedure shall be designed to be accessible, effective, easy, understandable and without costs to the complainant. Any grievance can be brought to the attention of the GM personally or by telephone or in writing by filling in the grievance form by phone, e-mail, post, fax or personal delivery to the addresses/numbers to be determined. The access points and details on local entry points shall be publicized and shall be part of the awareness building once further micro locations of the Sub-Projects are known.

8.2. Grievance administration

Any grievance shall follow the path of the following mandatory steps: receive, assess and assign, acknowledge, investigate, respond, follow up and close out.

Once logged, the GM shall conduct a rapid assessment to verify the nature of grievances and determine on the severity. Within 5 days from logging it will acknowledge that the case is registered and provide the grievant with the basic next step information. It will then investigate by trying to understand the issue from the perspective of the complainant and understand what action he/she requires. The GM will investigate the facts and circumstances and articulate an answer. The final agreement should be issued and grievant be informed about the final decision not later than 30 days after the logging of the grievance. Closing out the grievance occurs after the implementation of the resolution has been verified. Even when an agreement is not reached, or the grievance was rejected, the results will be

documented, actions and effort put into the resolution. If the grievance could not be resolved in amicable endeavor, the grievant can resort to the formal judicial procedures, as made available under the Montenegro national legal framework. Logging a grievance with the GM does not preclude or prevent seeking resolution from an official authority, judicial or other at any time (including during the grievance process) provided by the Montenegro legal framework.

In case of anonymous grievance, after acknowledgment of the grievance within three days from logging, the GM will investigate the grievance and within 30 days from logging the grievance, issue the final decision that will be disclosed on the PIU website.

The GM shall keep a grievance register log, which will include grievances received through all admission channels, containing all necessary elements to disaggregate the grievance by gender of the person logging it as well as by type of grievance. However, the personal data of each grievant shall be protected under the Data Protection Law. Each grievance will be recorded in the register with the following information at minimum:

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

8.3. Grievances and beneficiary feedback reporting

The role of the GM, in addition to addressing grievances, shall be to keep and store comments/grievances received and to keep the Central grievance log administered by the PIU. In order to allow full knowledge of this tool and its results, quarterly updates from the GM shall be available on the PIU website. The updates shall be disaggregated by gender, type of grievances /complaints and updated regularly.

8.4. Grievance log

The PIU will maintain grievance log to ensure that each complaint has an individual reference number and is appropriately tracked and recorded actions are completed. When receiving feedback, including grievances, the following is defined:

- Type,
- Category,
- Deadline for resolving the appeal, and
- Agreed action plan.

Each complaint should be assigned with an individual reference number and is appropriately tracked and recorded actions are completed. The log should contain the following information:

- Name of the grievant, location and details of the grievance,
- Date of submission,
- Date when the Grievance Log was uploaded onto the project database,

- Details of corrective action proposed,
- Date when the proposed corrective action was sent to the complainant (if appropriate),
- Date when the grievance was closed out,
- Date when the response was sent to the grievant.

8.5. Grievance admission and process value chain

The GRM includes the following steps:

STEP 1: Submission of grievances: either orally, in writing via suggestion/complaint box, through telephone hotline/mobile, mail, SMS, social media (WhatsApp, Viber, Facebook etc.), email and website. The GRM will also allow anonymous grievances to be raised and addressed. The site specific SEPs shall include details of Grievance entry points and focal points.

STEP 2: Recording of grievance, classifying the grievances based on the typology of complaints and the complainants in order to provide more efficient response, and providing the initial response immediately if possible. The typology will be based on the characteristics of the complainant (e.g., vulnerable groups, persons with disabilities, people with language barriers, etc.) and also the nature of the complaint

STEP 3: Acknowledgement of grievance within 5 days.

STEP 4: Investigating the grievance and due diligence- investigation involves gathering information about the grievance to determine its eligibility and to generate a clear picture of the circumstances surrounding the issue under consideration. This process normally includes site visits, document reviews, a meeting with the GM user (if known and willing to engage) and meetings with individuals and/ or entities who can assist with resolving the issue. Reasonable efforts will be taken to address the complaint. If the grievance is vague and not clear enough, the GM is obliged to help and provide counsel and even help in redrafting the submission, in order for the grievance/ to become clear, for purposes of an informed decision by the GM, in the best interests of persons affected by the Project. If the GM is not able to address the issues raised by immediate corrective action, a long-term corrective action will be identified. The decision shall give a clear assessment on the grievance/complaint, clear ruling and recommendations for fair remedy and propose measures to modify future conduct that caused the grievance as well as proposed measures to compensate if mitigation measures cannot remedy the harm or injury. The decision shall be in writing and shall be delivered to the person who filed the grievance as well as to any other person or entity to which the recommendation and measures shall apply or is under obligation by Law. The person who filed the grievance can express his/her personal satisfaction to the outcome of the grievance resolution procedure. Unilateral decision shall be an exception and resolution shall be sought through a dialogue between the GM and the Grievant,

STEP 5: Communication of the decision within 30 days.

STEP 6: Complainant Response: either grievance closure or taking further steps (as described below) if the grievance remains open. Before any closure of complaints/grievances, the GM shall:

- Confirm that the required GM actions have been enforced, that the grievance resolution process has been followed and that a fair decision has been made;
- Organize meeting(s) within 10 days of being contacted by the concerned parties to discuss how to resolve the issue, if not previously conducted;
- Recommend the final decision on the mitigation measure to the complainant/aggrieved party;
- Implement the agreed mitigation measure;
- Update the Grievance Report Form and have it signed by the complainant/aggrieved party;
- Sign the Grievance Report Form and log the updated information of the grievance into the Grievance Registry; and
- Send copies of relevant documents (e.g. completed Grievance Report Form, mitigation measure, minutes of the meetings, if appropriate) to the concerned parties.

In case a grievance cannot be resolved in manner satisfactory to the complainant he/she has the right for an appeal. In such cases the resolution of the grievance will be reviewed by a commission at the level of the PIU. This will serve as second tier grievance level. The commission will consist of three appointed members that are not directly involved in Project implementation. The commission will acknowledge the receipt of the appeal within 3 days and issue the final decision within 5 days of the receipt of the appeal. The decision of the commission will entail a detailed explanation of the grievance resolution process as well as the explanation of the final decision and guidance on how to proceed if the outcome is still not satisfactory for the complainant.

The Sub-project specific SEPs shall have details on each Grievance admission points, grievance administration processes, timelines, investigation activities and closure conditions.

Until such details are disclosed Stakeholders are encouraged to send all grievances, concerns and queries to the following addresses:

PIU, Grievance Mechanism

*Address: "Project-Consulting" - Podgorica Ltd. (PROCON),
Moskovska 65, 1 floor, 81000 Podgorica, Montenegro*

Phone: +38220201545

Further details on Grievance admission channels and points shall be publicized in the Sub-Project specific SEPs. Local access details to be known and disseminated at later stages.

8.6. Monitoring and reporting on Grievances

The Central grievance log at PIU will be responsible for:

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

The regular social monitoring reports to the WB shall be submitted through the PIU, which shall include a section related to GM which provides updated information on the following: Status of GM implementation (procedures, training, public awareness campaigns, budgeting etc.);

- Qualitative data on number of received grievances (applications, suggestions, complaints, requests, positive feedback) and number of resolved grievances;
- Quantitative data on the type of grievances and responses, issues provided and grievances that remain unresolved;
- Level of satisfaction by the measures (response) taken;
- Any corrective measures taken.

8.7. World Bank Grievance Redress Service

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

9. Monitoring and evaluation

9.1. Internal monitoring by the implementing agency

The process of land acquisition, restrictions on land use and any potential resettlement will be monitored through the Project Implementation Unit (PIU) and the designated Social Specialist. While ultimate responsibility for compliance with ESS5 and this RPF lies with the Borrower, day-to-day monitoring is carried out by the PIU. At the local level, the relevant Municipalities and their property and cadastral departments support the implementation of expropriation procedures. The Social Specialist will be responsible for coordinating all activities related to the application of this Resettlement Policy Framework (RPF) and the site-specific Resettlement Action Plans (RAPs), as well as for ensuring compliance with ESS5 and the relevant legislation of Montenegro.

The key responsibilities of the Social Specialist include:

- monitoring whether land acquisition and resettlement activities are being implemented in accordance with the planned schedule and whether deadlines are respected
- verifying that all obligations under the RAPs (compensation, relocation assistance, livelihood restoration measures, specific measures for vulnerable groups) are fully implemented prior to the start of civil works
- Coordinates stakeholder engagement activities
- monitoring changes in the living standards and incomes of Project-affected persons (PAPs) compared to the baseline situation established through the census and socio-economic surveys
- identifying potential problems and delays in implementation and proposing corrective and compensatory measures

Monitoring will also cover the implementation of the Project-specific Grievance Redress Mechanism (GRM), to ensure that PAPs have an effective, accessible and transparent channel for submitting complaints related to land acquisition and resettlement.

Embedding RPF Requirements into Municipal

While ultimate responsibility lies with the Borrower, implementation is carried out by the PIU and, at local level, by the relevant Municipalities and their property departments. Prior to the commencement of any land acquisition for the Project, the PIU will formally share this RPF with the relevant Municipality and hold an orientation session with Municipal staff.

Two requirements demand particular attention and full commitment from both PIU and the Municipalities:

Consultation requirements — The Law on Expropriation hearings process alone does not meet ESS5 standards. The PIU is responsible for organising the additional consultation steps, and Municipalities must be informed of and agree to facilitate these.

Eligibility criteria and entitlement matrix — The RPF recognises categories of affected persons (non-titled users, informal occupants, tenants) who may have no standing under national law but are entitled to assistance under ESS5. The PIU must ensure the census captures all such persons and that the entitlement matrix is applied consistently. Where Municipal expropriation procedures do not cover

these categories, the PIU delivers the corresponding entitlements through direct project-level measures.

The PIU monitors Municipal compliance throughout, and any deviations are escalated to the Borrower and, where necessary, the World Bank.

9.2. Institutional monitoring

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

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

Table 5 - Institutional responsibilities

Task:	Responsibility:
Disclosure and arranging public consultations on the RPF	PIU
Information disclosure to all PAPs about the procedure of the beginning of expropriation and during all phases of expropriation	PIU and Local Municipalities (LM)
Communication and consultation with PAPs	PIU and Local Municipalities
Activities prior to commencement of works	PIU and Local municipalities
Providing assistance during resettlement	Beneficiary of Expropriation
Compensation payment	Beneficiary of Expropriation
Grievances management	PIU
Monitoring and reporting on expropriation and resettlement	PIU
Monitoring and reporting after commencement of works	Contractor

9.3. Monitoring of resettlement process

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

Indicators for implementation of monitoring are as follows:

- Total expenditures on land acquisition, compensation, and livelihood restoration measures, compared to the expected total budget
- Number of PAPs and households by impact category (loss of land, structures, income, access), by tenure status, and disaggregated by sex and vulnerability status
- Number of land plots and structures subject to permanent acquisition and/or temporary occupation during construction, including type of land, amount of compensation, and duration of occupation
- Number of temporary occupied private property land plots by the contractor for

construction purposes

- Number of completed land acquisition cases compared to the expected total number
- Number of physical resettlement cases
- Number of economic displacement cases
- Number and percentage of compensation agreements/negotiated settlements signed prior to the commencement of civil works
- Number of PAPs compensated compared to the expected total, disaggregated by type and reason for compensation
- Amount of compensation paid compared to the expected total
- Number of persons/households identified as vulnerable and provided with additional support, with a description of the types of assistance provided, compared to total
- Number of persons/households who received cash and/or in-kind compensation, by type and ranges of amounts
- Number and total value of payments made for livelihood restoration (e.g. support to agricultural activities, support to small businesses)
- Number of consultations and public meetings held with project-affected persons, including key topics discussed and conclusions
- Indicators of the restoration of living standards and incomes of PAPs compared to the baseline (e.g. employment status, income level, access to services, housing conditions), based on a selected sample of PAPs, in particular in cases of physical displacement or more significant economic displacement
- Comparison of data on livelihoods of affected persons before and after the (sub-)project
- Number and type of grievances submitted, including legal actions and court cases arising from expropriation and resettlement, disaggregated by sex and PAP category, with data on resolved cases, percentage resolved within prescribed timeframes, time needed for resolution, and satisfaction with outcomes

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

9.4. Key institutions in the process of resettlement

The resettlement process involves the Government of Montengero, the Beneficiary of Expropriation (relevant Municipal authorities), the tax authority, accredited valuation experts, the local Governments and the Relevant Courts in cases no settlement agreement is achieved. An overview of all institutions is presented below. The in-depth assigned

responsibilities and arrangements for implementing the requirements of this RPF and each site-specific RAP shall be covered in the RAPs itself.

Table 6 - Institutions involved in expropriation / resettlement

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

10. DESCRIPTION OF ARRANGEMENTS FOR FINANCING RESETTLEMENT, INCLUDING PREPARATION AND REVISION OF COST ESTIMATES, FLOW OF FUNDS AND CONTINGENCY ARRANGEMENTS

10.1. General principles for resettlement financing

All costs of land acquisition, restrictions on land use, resettlement and livelihood restoration under the WASEC subprojects will be borne by the Beneficiary of Expropriation (relevant municipal utilities (JKPs) and/or the Government of Montenegro). Resettlement costs are planned and secured by the Beneficiary of Expropriation prior to subproject implementation, in a manner that ensures all measures required to achieve the objectives of ESS5 are fully financed. No costs will be passed on to project-affected persons (PAPs).

- The budget will be allocated to cover the following categories of costs: compensation for land, structures, crops and other material losses
- compensation for loss of income and business activities
- costs of physical relocation (transport, temporary accommodation, re-establishment of utility connections, etc.), where applicable
- costs of livelihood restoration measures (e.g. agricultural support, small business support, training)
- Transitional and additional support
- Costs related to the administration of the resettlement process, including consultations, monitoring, and operation of the grievance redress mechanism (GRM), will be accounted for.
- a contingency for unforeseen costs.

10.2. Estimation and revision of resettlement costs

For each subproject that causes physical or economic displacement, a detailed resettlement cost estimate will be prepared within the RAP. The cost estimate will be based on:

- detailed assessment of losses of land, assets (e.g., structures, crops), income, and access to resources, based on census and socio-economic survey results
- assessment of costs of livelihood restoration measures
- compensation at replacement cost, in line with ESS5.

The RAP cost estimate will include:

- entitlement matrices and corresponding amounts by PAP category and type of loss
- estimated costs of specific measures for vulnerable groups
- estimated administrative costs (staff, fieldwork, consultations, GRM, monitoring)
- estimated costs of external monitoring, where envisaged.

The PIU will revise cost estimates:

- at the time of finalizing each RAP, prior to its approval by the World Bank, and
- when there are changes in the scope of the subproject, number of PAPs or market prices that affect compensation levels. In accordance with the Law on Expropriation, expropriation cannot commence until the full compensation amount has been secured and made available.

Any changes to the resettlement budget will be formally documented and agreed with the Beneficiary of Expropriation. Where required, the World Bank will be notified of material changes affecting the overall scope or costs of resettlement.

10.3. Periodic reporting

The PIU will prepare periodic progress reports on the implementation of land acquisition and resettlement measures at least once per year, as part of the regular Project Progress Reports submitted to the World Bank in accordance with Project documents and the Legal Agreement. The reports will include an overview of implemented activities, an analysis of key indicators, and a summary of complaints received and resolved., a description of any identified issues and corrective measures taken, as well as specific reporting on the situation of vulnerable groups.

In addition to reporting to the World Bank, summary information on the progress of RAP implementation (without personal data) will be made publicly available, e.g. through the PIU website or other communication channels, in line with requirements on transparency and disclosure to Project-affected persons.

10.4. Role of independent third parties

External monitoring will be considered in particular where subprojects cause physical displacement of households, more significant economic displacement or affect a larger number of vulnerable groups.

The mandate of independent third parties may include:

- independent verification that all measures set out in the RAPs have been implemented in accordance with ESS5, this RPF and national legislation
- assessment of resettlement outcomes in terms of living standards and incomes of PAPs after a defined period (e.g. 6–12 months after completion of RAP implementation)
- additional consultations with PAPs and verification of their satisfaction with the resettlement process and outcomes
- recommendations for corrective measures in cases where the objectives of restoring or improving living standards and livelihoods have not been fully achieved.

Upon completion of each RAP, the independent third party, if engaged, will prepare a Resettlement Completion Report, to be submitted to the PIU and the World Bank within an agreed timeframe. This report will confirm that all entitlements and assistance have been delivered in accordance with the RAP and that there are no outstanding issues that could jeopardize long-term resettlement outcomes, or will propose additional measures that need to be implemented.

Use of monitoring results for corrective measures

The results of internal and, where applicable, external monitoring will be used to continuously improve land acquisition and resettlement practices under the BESS subprojects. If monitoring shows that certain groups of PAPs have not fully restored their losses or that unintended adverse outcomes have occurred, the PIU will, in cooperation with relevant institutions and, where necessary, the World Bank, develop and implement additional corrective measures (e.g. supplementary payments, additional livelihood restoration support, targeted support measures for vulnerable groups).

Thus, the monitoring system will facilitate timely identification of issues, promote transparent reporting, and allow for adjustments of measures to fully achieve the objectives of this RPF and ESS5.

Specific monitoring arrangements, including detailed indicators, data collection methodology, frequency of field visits and reporting, as well as the scope of any external monitoring, will be further elaborated in each sitespecific RAP or LRP, proportionate to the scale, nature and risks of physical and economic displacement, in line with ESS5 requirements.

ANNEX 1 – SAMPLE GRIEVANCE FORM

Reference Number² (for GRM team): _____

Complainant Details (optional for anonymity, check ☐):

- Full Name: _____
- Address: _____
- Phone: _____
- Email: _____

Is this grievance anonymous? ☐ Yes ☐ No

(If yes, identity will not be disclosed without permission.)

Preferred Language: ☐ English ☐ Serbian ☐ Bosnian ☐ Croatian ☐ Other: _____

Description of Issue/Grievance:

- What happened? (details):

- Where and when? (location, date/time): _____
- Who is involved? (persons, organizations): _____
- What are the impacts? (on you/community):

- Evidence (description, attachments): _____

Nature of Issue:

☐ One-time incident (date: _____)

☐ Recurring (how many times: _____)

☐ Ongoing (since: _____)

Desired Outcome: (what do you expect?)

Submission Date: _____ Signature (optional): _____

Response Address (if not anonymous): _____

² Anonymous complainants may receive a response in one of the following ways:

If an anonymous email address is provided the GRM team will send the response directly to that address.

If no contact details are provided, the status and outcome will be published on the PIU website under the assigned reference number, without any identifying information. Anonymous complainants are encouraged to check the PIU website regularly for updates on their grievance.

Annex 2 - Social analysis template

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

SOCIAL SCREENING FORM AND TRIGGERS FOR SUB PROJECTS			
11	Impact internally displaced persons or refugees		
12	Disrupt access to health care and education		

If any of the boxes 1 through 9 are checked 'YES', ESS5 will be deemed relevant, and site-specific instruments in accordance with this RPF will be prepared.

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

CERTIFICATION

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

For the PIU
engagement specialist

Public communication, social and citizen

ANNEX 3 ESS5 Step-by-Step Guide for PIUs: Temporary Access to Land During Water Network Rehabilitation

This guide outlines the mandatory steps a PIU and/or Beneficiaries of Expropriation (as suitable) must follow under ESS5 – Land Acquisition, Restrictions on Land Use, and Involuntary Resettlement when temporary access to private or community land is required for water network rehabilitation works. It serves as an illustrative sample of the steps to be taken but they can vary based on the situation found in the field.

Step 1: Screen for Temporary Land Impacts Early

As soon as rehabilitation site locations and alignments are being identified (at design stage), the PIU must:

Review engineering designs and alignments to identify all land parcels that will be temporarily accessed during construction.

Determine whether any persons use or depend on that land (farmers, tenants, businesses, informal users, etc.).

Confirm whether ESS5 is triggered — it applies whenever there is temporary restriction on land use, loss of income, or loss of access to assets, even without physical relocation.

Document findings in the project's Environmental and Social Assessment (ESA) records.

Key rule: Do not wait until works begin to identify impacts. Screening must happen at the design stage.

Step 2: Explore Alternatives to Minimize Impacts

Before accepting temporary land access as unavoidable, the PIU / Beneficiary of Expropriation:

Work with engineers to explore feasible design alternatives that could reduce or eliminate the need for temporary land access (e.g., adjusting pipeline alignments, phasing works to limit the affected area at any one time).

Document all alternatives considered and the reasons why they were or were not adopted.

Ensure that minimization of temporary land impacts is explicitly reflected in the final design decisions.

Key rule: ESS5 requires avoidance first, minimization second, and this step must be documented to meet compliance standards.

Step 3: Conduct a Census and Asset Inventory

Once the areas of temporary land access are confirmed, the PIU / Beneficiary of Expropriation must:

Carry out a census of all persons and households who own, use, or occupy the affected land parcels — including those without formal title (tenants, informal users, seasonal farmers).

Inventory all assets on the temporarily affected land: crops, trees, structures, irrigation works, fences, and other improvements.

Establish a cut-off date and communicate it to affected communities. Any persons arriving after the cut-off date are not eligible for compensation.

Engage a qualified social specialist (or survey team) to conduct the census and inventory.

Key rule: No one should be excluded from the census solely because they lack a formal land title, in alignment with ESS5 principles.

Step 4: Assess and Value Compensation Entitlements

Based on the census and asset inventory, the PIU / Beneficiary of Expropriation must:

Calculate compensation for each affected person covering:

Loss of income/productivity during the period of temporary land occupation (based on average yields, market prices, and duration of impact).

Damage to crops, trees, or other assets caused by construction activities.

Business losses if any commercial activities are disrupted or temporarily stopped.

Restoration costs if the land requires rehabilitation after works are completed.

Apply replacement cost methodology — compensation must reflect full market value without deduction for depreciation.

Identify and flag vulnerable persons (female-headed households, elderly, disabled, households below the poverty line) for additional assistance where needed.

Key rule: Compensation must be calculated and agreed before any land is accessed — not after.

Step 5: Consult and Engage Affected Persons

The PIU must conduct meaningful consultation with all affected persons before any agreement is signed or any works begin:

Explain clearly: the purpose of the temporary land use, the expected duration, the area to be accessed, what compensation they are entitled to, and how the land will be restored.

Ensure affected persons understand that refusal is an option — consent must be voluntary and informed.

Consult separately with women to ensure their perspectives and interests are captured, particularly where their livelihoods may be differently affected, as required under ESS10.

Record all consultations (meeting minutes, attendance lists, issues raised, and responses given).

Engage through ESS10-compliant Stakeholder Engagement processes, using accessible language and formats.

Key rule: Consultation is not a formality — it must take place before agreements are signed, and feedback must genuinely influence planning.

Step 6: Prepare and Sign Temporary Land Use Agreements

The Beneficiary of Expropriation must formalize temporary land access through written agreements with each affected landowner and tenant:

Each Temporary Land Use Agreement must include:

The specific land parcel(s) covered and their coordinates or boundaries.

The purpose and expected duration of temporary use.

The compensation amount to be paid and the payment schedule.

The obligation to restore the land to pre-project condition upon completion.

The right of the landowner/user to access the project Grievance Mechanism in case of disputes.

Agreements must be signed voluntarily, with confirmation in writing that the landowner was informed refusal is an option.

Copies of signed agreements must be filed by the PIU and made available for Bank supervision.

Key rule: Agreements must be in place — and compensation paid — before construction begins on that parcel.

Step 7: Prepare a Resettlement Instrument (RAP or ARAP)

Depending on the scale and significance of temporary impacts, the PIU must prepare the appropriate resettlement instrument:

Resettlement Action Plan (RAP): Required when impacts are significant (large number of affected persons, major livelihood disruption).

Abbreviated RAP (ARAP): May be used for minor, limited impacts with small numbers of affected persons.

The RAP/ARAP must include: census results, asset inventory, entitlement matrix, compensation amounts, consultation records, GRM details, implementation timeline, monitoring arrangements, and budget.

The instrument must be consulted upon, disclosed publicly, cleared by the World Bank, and fully implemented before civil works commence on the relevant subproject, ensuring compliance with international best practices.

Key rule: No construction starts until the RAP/ARAP is approved by the Bank and compensation has been paid.

Step 8: Pay Compensation Before Accessing the Land

This is a firm ESS5 requirement — compensation must be disbursed in full before the PIU or contractor accesses any temporarily affected land parcel:

Make payments directly to each eligible affected person in accordance with the agreed compensation schedule.

Obtain signed receipts or payment confirmations from each recipient.

Keep payment records organized by parcel/affected person for monitoring and audit purposes.

Where a landowner cannot be reached or disputes arise, follow the Bank-approved escrow/deposit procedure and document all efforts made.

Key rule: Access to land before compensation is paid is a non-compliance under ESS5.

Step 9: Implement a Grievance Redress Mechanism (GRM)

The PIU must ensure the project GRM is operational and accessible to all affected persons throughout the works:

Publicize the GRM to affected communities in accessible language before works begin.

Ensure the GRM can receive complaints related to: compensation disputes, land damage during works, restoration delays, or any other grievance linked to temporary land access.

Log, track, and respond to all grievances within the timeframes specified in the project's Stakeholder Engagement Plan (SEP).

Report on GRM activity in regular project progress reports.

Key rule: The GRM must be in place and known to affected persons before works begin — not set up after complaints arise.

Step 10: Monitor, Restore, and Close Out

During and after construction works on temporarily affected land, the PIU must:

Monitor actual land use impacts against what was anticipated, and update compensation if additional damage occurs beyond what was agreed.

Ensure the contractor restores all temporarily affected land to its pre-project condition or better upon completion of works — including reinstating crops, clearing debris, repairing access paths, and rehabilitating any damaged infrastructure.

Conduct a formal restoration verification with the landowner/user present and obtain their written confirmation that restoration is satisfactory.

If restoration is incomplete or additional damage is found at the end of the temporary occupation period, pay additional compensation to the affected person.

Include findings in project monitoring reports submitted to the World Bank.

Key rule: The PIU remains responsible for restoration until the affected person confirms in writing that the land has been adequately restored.

Summary Checklist for PIU

Step	Action	Before Works?
1	Screen for temporary land impacts at design stage	Yes
2	Explore and document design alternatives	Yes
3	Conduct census and asset inventory; set cut-off date	Yes
4	Assess and value compensation entitlements	Yes
5	Consult affected persons meaningfully	Yes
6	Sign Temporary Land Use Agreements	Yes
7	Prepare and get Bank clearance for RAP/ARAP	Yes
8	Pay compensation in full	Yes
9	Ensure GRM is operational and communicated	Yes
10	Monitor impacts, restore land, and close out	During & After

Annex 4: Illustrative example of Abbreviated Resettlement Action Plan (ARAP)

Water Network Rehabilitation Subproject — [Insert Town/Village Name]³

[Insert Project Name] | [Insert Country]

Prepared by: [Project Implementation Unit / PIU Name] Date: [Month, Year] World Bank Project ID: [P#####] ESS Standard Triggered: ESS5 – Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Abbreviations and Acronyms

Executive Summary

This Abbreviated Resettlement Action Plan (ARAP) has been prepared by the Project Implementation Unit (PIU) of [Project Name] in compliance with the World Bank's Environmental and Social Standard 5 (ESS5). It addresses temporary land access impacts arising from the rehabilitation of water distribution networks in [Insert Location].

The rehabilitation works require temporary access to [X] privately or communally owned land parcels along the pipeline alignment for an estimated period of [X weeks/months], which must be clearly defined. A total of [X] Project Affected Persons (PAPs) have been identified through a census and asset inventory exercise conducted in [Month/Year].

No physical displacement (relocation of households) is required as all impacts are temporary. All impacts are temporary in nature, consisting primarily of restricted access to agricultural land and potential loss of crops and income during the construction period.

Total compensation budget: [Currency] [Amount]

This ARAP has been consulted upon with all affected persons, disclosed publicly on [Date], and will be fully implemented prior to the commencement of civil works.

1. Introduction and Project Background

1.1 Project Description

[Insert Project Name] is financed by the World Bank and implemented by [Implementing Agency]. The project aims to improve access to reliable water supply for [X] households in [Location] through the rehabilitation of [X km] of water distribution pipelines.

The specific subproject covered by this ARAP involves the rehabilitation of [X km] of transmission and distribution pipelines in [Village/Town/District], which is crucial for improving local water supply. Civil works will be carried out by a contractor mobilized by the PIU and are expected to commence in [Month/Year] with a duration of approximately [X months].

1.2 Justification for an ARAP

An Abbreviated Resettlement Action Plan (rather than a full RAP) is appropriate because:

The total number of PAPs identified is [X], which is fewer than 200 persons.

³ This is only illustrative example and it can be changed based on the situation in the field.

All impacts are temporary — no permanent land acquisition, physical displacement, or structural demolition is involved.

Impacts are limited to temporary restricted access to land and loss of income/crops during the construction period.

This is consistent with ESS5 guidance, which allows for an ARAP when impacts are minor and affect fewer than 200 people, reflecting similar approaches taken in other World Bank projects globally. [\[1\]](#)

1.3 Objectives of the ARAP

This ARAP aims to:

Identify and document all persons temporarily affected by the water network rehabilitation works.

Establish fair and transparent compensation entitlements for all PAPs.

Describe the consultation process undertaken and its outcomes.

Define institutional responsibilities and the implementation timeline.

Establish the Grievance Redress Mechanism (GRM) available to PAPs.

Set out monitoring and evaluation arrangements.

2. Legal and Policy Framework

2.1 Applicable World Bank Standards

This ARAP has been prepared in accordance with ESS5 – Land Acquisition, Restrictions on Land Use and Involuntary Resettlement of the World Bank's Environmental and Social Framework (ESF, 2018). ESS5 applies to all situations involving temporary or permanent restrictions on land use, including temporary access for construction works, regardless of whether formal land title exists.

Key ESS5 requirements applied in this ARAP:

Compensation at replacement cost prior to land access.

Meaningful consultation with affected persons before any works commence.

No access to land until compensation is fully paid.

Restoration of land to pre-project condition after works are completed.

A functioning GRM accessible to all PAPs.

2.2 National Legal Framework

[Insert brief description of applicable national laws on land, compensation, and expropriation — e.g., Land Act, Constitution, etc.]

2.3 Gap Analysis

Issue	National Law	ESS5 Requirement	Resolution
Eligibility of informal users	Not always recognized	All users, with or without title	ESS5 applies

Compensation basis	Market value	Replacement cost	Higher standard (ESS5) applies
Timing of compensation	Varies	Before land is accessed	ESS5 applies

3. Project Activities and Land Impacts

3.1 Description of Works Causing Temporary Land Access

The pipeline rehabilitation involves [describe works: e.g., open-cut trenching for pipe replacement along a right-of-way of approximately X metres wide]. The working corridor will be temporarily restricted during active construction and will be reinstated upon completion.

The following types of temporary impacts have been identified:

Temporary loss of access to agricultural plots within the construction right-of-way.

Damage to or premature harvesting of standing crops within the corridor.

Temporary disruption to business operations will be managed where pipelines pass through commercial areas to mitigate losses.

Temporary access restrictions affecting movement of people or livestock.

3.2 Summary of Temporary Land Impacts

Parcel ID	Location	Area Affected (m ²)	Land Use	PAP Name	Duration of Impact
P-001	[Village A]	200 m ²	Agricultural (maize)	[Name]	6 weeks
P-002	[Village A]	150 m ²	Agricultural (vegetables)	[Name]	4 weeks
P-003	[Village B]	80 m ²	Small retail kiosk	[Name]	3 weeks
P-004	[Village B]	300 m ²	Agricultural (fallow)	[Name]	5 weeks
...	...	...	...	...	...
TOTAL	[X] m ²	[X] PAPs			

4. Census and Socioeconomic Survey

4.1 Methodology

A comprehensive field census and asset inventory was conducted by the PIU's social specialist between [Start Date] and [End Date] to ensure thorough documentation. The methodology included:

Household-level interviews with all identified PAPs.

Physical measurement and GPS mapping of all affected land parcels.

Photographic documentation of assets.

A cut-off date of [Date] was established and effectively communicated to all affected communities to prevent future claims. Persons arriving after this date are not eligible for compensation.

4.2 Socioeconomic Profile of PAPs

Category	Number	Percentage
Total PAPs	[X]	100%
Male-headed households	[X]	[X]%
Female-headed households	[X]	[X]%
Vulnerable PAPs (elderly, disabled, below poverty line)	[X]	[X]%
PAPs with formal land title	[X]	[X]%
PAPs without formal land title (tenants, informal users)	[X]	[X]%

4.3 Inventory of Affected Assets

Asset Type	Unit	Quantity Affected
Agricultural land (crop-bearing)	m ²	[X]
Agricultural land (fallow)	m ²	[X]
Standing crops — maize	m ²	[X]
Standing crops — vegetables	m ²	[X]
Fruit/perennial trees	Number	[X]
Business structures (kiosks, stalls)	Number	[X]
Fences / boundary walls	Linear metres	[X]

5. Entitlement Matrix and Compensation

5.1 Eligibility Criteria

The following categories of persons are eligible for compensation under this ARAP, regardless of whether they hold formal land title:

Landowners (with or without title) whose land is temporarily accessed.

Tenants or sharecroppers farming on affected parcels.

Business owners or operators whose activities are temporarily disrupted.

Informal users who can demonstrate regular and productive use of affected land are included in the compensation matrix to ensure fairness.

Persons who arrive after the cut-off date of [Date] are not eligible for compensation.

5.2 Entitlement Matrix

Impact Type	Eligible PAP	Entitlement	Payment Timing
Temporary loss of agricultural land	Landowner / tenant	Compensation for lost productivity based on area, crop type, market prices, and duration	Before land access
Damage to standing crops	Farmer / tenant	Full replacement cost of crops at market prices at time of impact	Before land access
Loss of fruit/perennial trees	Landowner	Replacement cost including value of lost production during regrowth period	Before land access
Temporary business disruption	Business operator	Documented net income loss for the duration of disruption	Before land access
Disturbance allowance	All PAPs	[X]% additional allowance on total compensation (per national law or project RPF)	Before land access
Vulnerable PAP additional assistance	Vulnerable households	Additional cash or in-kind assistance (e.g., [X Currency] or equivalent support)	Before land access
Land restoration	Landowner / user	Contractor obligation to restore land; additional compensation if restoration is incomplete	After works

5.3 Valuation Methodology

Compensation has been calculated using the replacement cost methodology in line with ESS5. Key parameters used:

Crop yields: Based on [national agricultural statistics / local government data / independent survey].

Market prices: Based on [local market prices at the time of valuation, Month/Year].

Duration of impact: Based on the contractor's construction schedule.

Tree valuation: Based on [insert methodology, e.g., number of years to productive maturity × annual yield × market price].

Business loss: Based on [documented average net income × number of days of disruption].

5.4 Compensation Summary by PAP

PAP ID	Name	Location	Impact Type	Compensation Amount ([Currency])

PAP-001	[Name]	[Village A]	Crop loss — maize	[Amount]
PAP-002	[Name]	[Village A]	Crop loss — vegetables	[Amount]
PAP-003	[Name]	[Village B]	Business disruption	[Amount]
PAP-004	[Name]	[Village B]	Land access — fallow	[Amount]
...				
TOTAL	[Total Amount]			

6. Consultations with Affected Persons

6.1 Consultation Process

Public consultations were conducted at [Location] on [Dates]. The PIU's social specialist led all sessions, supported by [local government representative / community liaison officer].

Sessions covered:

Explanation of the project works and construction timeline.

Description of temporary land impacts and entitlements under ESS5.

Explanation of the cut-off date and eligibility criteria.

Explanation of the GRM and how to raise complaints.

Questions and answers with affected persons.

Consultations were conducted in [local language(s)]. Women were consulted in a separate session on [Date] to ensure their concerns were captured independently.

6.2 Key Issues Raised and Responses

Issue Raised	PIU Response
Concern about damage to irrigation channels	Contractor will restore all irrigation infrastructure; included in contract clauses
Request for compensation to be paid before works begin	Confirmed — compensation will be paid in full before land is accessed
Concern about duration of works exceeding scheduled timeline	Compensation agreement includes provision for additional payment if duration extends beyond agreed period
Request for information in writing	Summary of entitlements provided in [local language] to all PAPs

6.3 Disclosure

This ARAP has been disclosed on:

The project's official website: [URL]

The PIU notice boards at [location(s)]

The World Bank external website: [URL]

Date of disclosure: [Date]

7. Grievance Redress Mechanism (GRM)

All PAPs have been informed of their right to raise grievances at any point during project implementation. The project GRM operates as follows:

Level	Contact Point	Response Timeframe
Level 1 — Community	Community Liaison Officer: [Name, Phone]	5 working days
Level 2 — PIU	PIU Social Specialist: [Name, Email, Phone]	10 working days
Level 3 — Implementing Agency	[Agency Name, Contact]	15 working days
Level 4 — External / Court	National legal system	Per national law

PAPs may also contact the World Bank's Grievance Redress Service (GRS) at any time.

All grievances are logged, tracked, and documented in quarterly project progress reports to ensure transparent handling of issues.

8. Institutional Responsibilities

Responsibility	Responsible Party
Overall ARAP implementation and oversight	PIU Social Specialist
Compensation payment processing	PIU Finance Officer
Land restoration oversight	PIU Engineer + Contractor
Monitoring and reporting	PIU Social Specialist
GRM management	PIU Social Specialist + Community Liaison Officer
World Bank oversight and clearance	World Bank Task Team

9. Implementation Timeline

Activity	Responsible	Target Date
ARAP preparation and disclosure	PIU	[Date]
World Bank clearance of ARAP	World Bank	[Date]
Signing of Temporary Land Use Agreements	PIU + PAPs	[Date]
Compensation payments to all PAPs	PIU Finance	[Date] — before works start

Commencement of civil works	Contractor	[Date]
Monitoring during works	PIU	Throughout construction
Land restoration by contractor	Contractor	Within [X weeks] of works completion
Restoration verification with PAPs	PIU + PAPs	[Date]
Final ARAP completion report	PIU	[Date]

10. Budget

Item	Estimated Cost ([Currency])
Compensation for crop losses	[Amount]
Compensation for business disruption	[Amount]
Disturbance allowances	[Amount]
Vulnerable PAP additional assistance	[Amount]
ARAP preparation (social specialist fees)	[Amount]
Community consultation costs	[Amount]
Monitoring and evaluation	[Amount]
Contingency (10–15%)	[Amount]
TOTAL	[Total Amount]

Funding source: [Government counterpart funds / Project budget / Other] which should be detailed to reflect exact allocations.

11. Monitoring and Evaluation

The Project Implementation Unit (PIU) will monitor the implementation of the Abbreviated Resettlement Action Plan (ARAP) through the following activities:

Pre-works: Confirm all compensation payments have been made and Temporary Land Use Agreements signed before issuing notice to proceed to contractor.

During works: Monthly site visits will be conducted by the PIU social specialist to verify that actual impacts remain within the scope documented in this ARAP and to identify any additional affected persons not captured in the original census.

Post-works: Formal land restoration verification conducted jointly with each PAP, with written confirmation of satisfactory restoration obtained.

Reporting: Progress on ARAP implementation will be included in the quarterly project progress reports submitted to the World Bank.

Annexes

Annex 1: Census forms and completed PAP household survey data

Annex 2: Asset inventory and valuation sheets by parcel

Annex 3: Map showing pipeline alignment and affected parcels

Annex 4: Signed Temporary Land Use Agreements (template + signed copies)

Annex 5: Proof of compensation payments (signed receipts)

Annex 6: Consultation meeting minutes and attendance lists

Annex 7: Photographs of affected assets

Annex 8: Cut-off date public notice