

SAVA DRINA RIVER CORRIDORS INTEGRATED
DEVELOPMENT PROJECT

RESETTLEMENT FRAMEWORK FOR MONTENEGRO

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Table of Contents

1	EXECUTIVE SUMMARY	6
2	INTRODUCTION	7
2.1	Brief Description the Project	7
2.1.1	Objectives	7
2.1.2	Components	7
2.1.3	Subprojects in Montenegro	8
2.1.4	Implementation arrangements for the Entire Project	9
2.1.5	Timeline and Budget for the Entire Project	9
2.2	Scope and Purpose of the Resettlement Framework	9
2.3	Potential for Land Acquisition/Resettlement and the Screening Process.....	11
3	WORLD BANK REQUIREMENTS	12
4	LEGAL FRAMEWORK IN MONTENEGRO	14
4.1	Constitution of Montenegro.....	14
4.2	Law on Expropriation of Montenegro.....	14
4.3	Gaps and Solutions	16
5	KEY LAND ACQUISITION / RESETTLEMENT PRINCIPLES AND COMMITMENTS	18
6	COMPENSATION AND ENTITLEMENTS	21
7	COMPENSATION FOR DIFFERENT CATEGORIES OF ASSETS	26
8	DISCLOSURE OF INFORMATION AND PUBLIC CONSULTATIONS	29
9	GRIEVANCE MECHANISM	30
10	Implementation of RPs	32
10.1	Implementation Responsibilities.....	32
10.2	Costs	33
10.3	Monitoring and Reporting.....	33
ANNEXES	34	
A.	Minimum Elements of a Resettlement Plan	35
B.	Sample Grievance Form	39

Abbreviations

RF	Resettlement Framework (this document)
RP	Resettlement Plan
PAP	Project Affected People
PIU	Project Implementation Unit
ESS	Environmental and Social Standards of World Bank
WB	World Bank

List of Definitions of Terms Used in this Document

Census Survey and Baseline Socio-Economic Study	<p>The census identifies affected persons, and includes pertinent demographic (age, gender, family size, births, and deaths) and related social and economic information (ethnicity, health, education, occupation, income sources, livelihood patterns, productive capacity, and so forth). The census helps to determine eligibility of affected persons. It includes undertaking an inventory and valuation of assets and establishing, documenting, and making known the rights of those affected.</p> <p>The information gathered in connection with the census is the baseline, which serves as a reference point against which income restoration and the results of other rehabilitation efforts can be measured.</p>
Cut-Off Date	The date after which anyone who moves into the project area is no longer entitled to compensation and/or assistance. It is intended to help prevent encroachment by opportunistic settlers.
Economic Displacement	Loss of assets or access to assets which affects livelihoods or income generation as a result of the project. People or enterprises may be economically displaced with or without experiencing physical displacement.
Entitlement	Compensation and assistance which affected people have the right to receive during resettlement. Entitlements are defined for each individual project, and are listed in the form of an Entitlements Matrix, i.e. a table containing information on who is entitled to what type of compensation and/or assistance.
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, petty trade and bartering.
Market Value	Value calculated based on prices of property in the area in which the particular property is acquired, which can be achieved for a particular property on the market, depending on supply and demand at that moment of setting the price.
Moving Allowance	Cash compensation for costs directly associated to moving/relocation of a household or business.
Physical Displacement	Loss of house/apartment, dwelling or shelter as a result of project-related land acquisition which requires the affected person to move to another location.
Project Affected People (PAP)	Any person who, as a result of the land acquisition required by the project, loses the right to own, use, or otherwise benefit from a built structure, land, annual or perennial crops and trees, or any other fixed or moveable asset, either in full or in part, permanently or temporarily.
Replacement Cost	<p>Defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets acceptable minimum community standards of quality and safety.</p> <p>The valuation method for determining replacement cost should be documented and included in relevant resettlement planning documents. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons. To ensure compensation at replacement cost, planned compensation rates may require updating in project areas where inflation is high or the period of time between calculation of compensation rates and delivery of compensation is extensive.</p>
Restrictions on Land Use	Refers to limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of the project. These may include restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, restrictions on land use within utility easements or safety zones.
Resettlement Framework	A document developed when the exact nature or magnitude of the land acquisition or restrictions on land use related to a project with potential to cause physical and/or economic displacement is unknown due to the project

	<p>development stage. The purpose of a framework is to clarify resettlement principles, organizational arrangements, and design criteria to be applied to subprojects to be prepared.</p> <p>Once the subprojects and individual project components are defined and the necessary information becomes available, the framework is expanded into a specific plan proportionate to potential risks and impacts (see item Resettlement Plan below).</p>
Resettlement Plan	<p>The document in which a client specifies the procedures it will follow and the actions it will take to mitigate adverse effects, compensate losses and provide development benefits to persons and communities affected by an investment project.</p> <p>Resettlement plans are prepared for any project that results in economic or physical displacement. The scope and level of detail of the plan varies with the magnitude of displacement and complexity of the measures required to mitigate adverse impacts.</p>
Negotiated Settlements	<p>Refers to situations where the Borrower needs to acquire specific land or restrict its use for project purposes, but rather than doing so through an expropriation proceeding, the Borrower first tries to arrive at a mutually agreeable negotiated settlement with the landowner/user. As explained in footnote 8, in many cases, both parties might find it advantageous to reach a negotiated settlement to avoid the delays and transaction costs associated with the full judicial or administrative process of expropriation or compulsory acquisition. In fact, many national laws require governments to first explore this more consensual approach.</p>
Security of Tenure	<p>Means that resettled individuals or communities are resettled to a site that they can legally occupy, where they are protected from the risk of eviction and where the tenure rights provided to them are socially and culturally appropriate. In no event will resettled persons be provided tenure rights that are in effect weaker than the rights they had to the land or assets from which they have been displaced.</p>
Vulnerable People/ Groups	<p>Vulnerable people are people who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status, may be more adversely affected by resettlement than others and who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits.</p> <p>Groups or persons who may be particularly vulnerable include, but are not limited to:</p> <ul style="list-style-type: none"> ▪ poor people ▪ people with disabilities ▪ refugees and internally displaced people ▪ children, women, the elderly or ill persons ▪ households whose heads are children or female ▪ households who have no or have very limited resources ▪ ethnic minorities (such as Roma people or others) ▪ people without land or use rights under local legislation

1 EXECUTIVE SUMMARY

The development objective of the Sava-Drina River Corridor Integrated Development Program is to strengthen capacities for integrated river basin management and development through improved transport connectivity, flood protection, and landscape management in selected catchment areas of the Sava and Drina river corridors. The Project consists of three components, will be implemented over a period of 10 years, organized in two phases. This Project will include a total of approximately 40 sub-projects with high relevance to the program objectives. The sub-projects in Montenegro will be managed by a PIU within the Ministry of Agriculture and Rural Development.

The proposed Project activities, due to the nature and extent of civil works, especially under Component 1 of the Project, may have displacement impacts. At this Project planning phase, the likely nature or magnitude of the impacts related to the Project is impossible to estimate; therefore, this Resettlement Framework (RF) is prepared to clarify resettlement principles, organizational arrangements, and design criteria to be applied to sub-projects, and to mitigate potential resettlement impacts. It has been prepared in accordance with the legal system, laws and procedures in force in Montenegro, and in conformity with WB requirements and good international practices. This RF provides a framework for individual Resettlement Plans which will be prepared once the specific locations and impacts become known for any subproject that entails resettlement.

This RF covers the following elements:

- a brief description of the project, the scope of this RF and the potential for land acquisition/resettlement - Chapter 2;
- an overview of WB requirements regarding land acquisition/resettlement – Chapter 3;
- a detailed explanation of the legal framework in Montenegro, with an analysis of gaps between such framework and WB requirements – Chapter 4;
- principles and objectives governing resettlement preparation and implementation – Chapter 5;
- compensation and entitlements for Project Affected People – Chapters 6 and 7;
- requirements for disclosure of information and public consultations – Chapter 8;
- a description of grievance redress mechanisms - Chapter 9;
- arrangements for implementing Resettlement Plans to be developed – Chapter 10.

2 INTRODUCTION

2.1 Brief Description the Project

2.1.1 Objectives

The Higher-level Objective of the Sava-Drina River Corridor Integrated Development Program (SDIP) is to enhance regional economic integration and growth through improved flood protection, waterway navigability and freight transport connectivity, and transboundary water management along the Sava and Drina Corridor.

The Development Objective of the SDIP (Phase 1 of the Program) is to strengthen capacity for integrated river basin management and development through improved flood protection, transport connectivity and landscape management in selected catchment areas of the Sava and Drina river corridors.

2.1.2 Components

This project will implement sub-projects with high implementation readiness and relevance to the program objectives, with detail designs and tender documents likely ready by Effectiveness in Montenegro, BiH and Serbia, while simultaneously preparing subprojects that will be implemented during the second phase of the Regional Program. The project consists of three components as described below:

Component 1: Integrated Development of the Sava River Corridor

Sub-component 1.1: Flood protection, environmental management and climate change adaptation. This sub-component will finance the cleaning up of an old solid waste dump site in Brcko District located along the Sava River bank as well as nature-based solutions to re-vitalize selected protected areas of ecological significance to the Western Balkans. This sub-component will also finance construction and rehabilitation of embankments at selected priority areas along the Sava River Corridor.

Sub-component 1.2: Enhancement of ports facilities, services and logistics. The project will finance the acquisition of equipment for the rehabilitation and expansion of cargo and vessel handling infrastructure and associated supporting services, like power supply and water treatment, at the Sava river ports of Sremska Mitrovica (Serbia) and Brcko (BiH). Specifically, the project will finance the construction of a container terminal at the ports of Sremska Mitrovica and Brcko. These facilities are expected to benefit from improved navigation access to be supported by this program and contribute to improvements in logistics service delivery in the Sava corridor, including the facilitation of container transportation and handling. These developments have proven effective at facilitating modal shift from trucks to barges, and through these interventions, could indirectly contribute to this outcome.

Sub-component 1.3: Multi-purpose Waterway Improvements. This sub-component will fund civil works in selected sites to address impediments to navigation along the Sava between the Port of Sremska Mitrovica (Serbia) and Slavonski Brod (Croatia) to bring these sections up to Class IV standard. This standard will guarantee a least available depth of 2.5 meters (relative to current draft levels of 2 meters or less) and a waterway fairway consistent with the navigation of vessels of 1,000-1,500 deadweight tons in capacity for 300 days per year. The works will include a combination of bank protection, dredging, river training (e.g., through groyne facilities), bend correction, and provision of navigational aids. While the detailed engineering designs for these works are not yet available, sustainable engineering solutions will be proposed, based on European best practice, to minimize dredging volumes, and room for the river approaches will be pursued to increase climate resilience. These designs will be finalized during Phase 1 and implementation undertaken in phase 2. Grant financing will be mobilized to finance demining activities along the Sava Right bank within BiH. Demining is a prerequisite for preparation of design documents for subprojects in the key waterway section between Jaruge (Croatia) and Novi Grad (Federation of Bosnia and Herzegovina)—considered the most pressing navigation bottleneck across the Sava at present. Demining activities are proposed as a no-regret investment that will help unlock the river's economic potential for generations to come.

Component 2: Sustainable Management of Environmental Assets in Drina Corridor

Sub-component 2.1: **Managing climate change impacts and risk mitigation in Drina river corridor.** The sub-component will finance infrastructure works, studies, surveys, consultations and preparation of detailed design of interventions related to the management of environmental assets along the Drina Corridor. This project will finance improved watershed management in the Lim and Grncar River basins of Montenegro.

Sub-component 2.2: **Hydrological and optimization interventions.** The on-going GEF-SCCF-financed Drina River Basin Management project as well as the ESMAP technical assistance, are conducting studies that will identify the additional actions needed for flood protection, bank stabilization, drainage and river training works, and reservoir management in the Drina Corridor. This sub-component will finance selected priority investments in line with the project development objective including any further studies that may be needed.

Component 3: Enabling regional economic integration, institutional strengthening and program management

Sub-component 3.1: **Project preparation.** This sub-component will finance preparation of project documentation for phase II of the program, including environmental and social safeguard assessments.

Sub-component 3.2: **Studies and policy dialogue to foster regional economic integration.** This sub-component will finance policy dialogue, consultations, and the preparation of plans and studies to strengthen to nexus between water services, (environmental protection, flood risk reduction and improved connectivity), job creation, economic growth and the enhancement of economic integration through trade and investments along the Sava and Drina Corridor. An advocacy and communication campaign will be prepared and implemented to promote regional integration. A study on the alluvial aquifers in the Sava Basin will improve the understanding of ground water resources and their environmental status.

Sub-component 3.3: **Planning and development of tourism in the Sava-Drina Corridor.** Master Plan will be financed to define the strategy to develop and strengthen eco-tourism and enhance access for tourists in the region. Branding of the pristine Drina sections will also be considered for tourism development.

Sub-component 3.4: **Institutional strengthening and project management for regional activities.** This sub-component will finance activities to increase institutional capacity and inter-sectoral coordination in the participating countries to ensure more efficient decision making and program management at regional level.

2.1.3 Subprojects in Montenegro

The proposed SDIP components and sub-components that will be implemented in Phase I of the SDIP are briefly described in the table below.

Component	Sub-component	Sub-component description
Component 2: Integrated Management and Development of Environmental Assets along the Drina River Corridor	Sub-component 2.2 Integrated development of lower Lim watershed	This project will finance improved watershed management in the Lim and Grncar River basins of Montenegro. This activity will finance works related to flood protection, drainage and irrigation measures. The design of these investments and solutions are under preparation within the ongoing GEF-SCCF Drina project.
Component 3: Enabling regional economic integration, institutional strengthening and program management	Sub-component 3.1: Project preparation.	Preparation of project documentation for phase II of the program, including E&S risk assessments.
	Sub-component 3.2: Studies and policy dialogue to foster regional economic integration.	Policy dialogue, consultations, and preparation of plans and studies to strengthen to nexus between water services (environmental protection, flood risk reduction and improved connectivity), job creation, economic growth and enhancement of economic integration through trade and investments along the Sava and Drina Corridor. An advocacy and communication campaign will be prepared and implemented to promote regional integration. A study on the alluvial aquifers in the Sava Basin will

Component	Sub-component	Sub-component description
		improve the understanding of ground water resources and their environmental status.
	Sub-component 3.4: Institutional strengthening and project management for regional activities	Activities to increase institutional capacity and inter-sectoral coordination in the participating countries to ensure more efficient decision making and program management at regional level.

2.1.4 Implementation arrangements for the Entire Project

SDIP will be implemented through a sequential and simultaneous multiphase programmatic approach with five participating countries: Serbia, BiH, Montenegro, Croatia, and Slovenia. Slovenia will be the only non-borrowing program beneficiary; it will participate in the regional studies, regional dialogue, capacity building tools, and related activities under Component 3. Sub-projects will be implemented at national level and will have cumulative regional benefits.

SDIP will be implemented by participating countries in a coordinated manner through two levels of coordination. At the regional level, a regional committee consisting of the existing ISRBC members and senior officials from key sectors such as water, transport, energy and tourism will facilitate dialogue and cooperation in the region. This committee will also provide strategic oversight and guidance for the implementation of regional activities in addition to national subprojects, ensuring stronger dialogue, integration and knowledge sharing. During implementation, other sectors will be coopted as and when the need arises.

At the national level, implementation will be undertaken by project implementation units within line ministries of each country/entity. In each country/entity, PIUs will be established comprising of the required technical and managerial expertise to support project implementation. In Montenegro, a PIU will be established under the Ministry of Agriculture and Rural Development.

2.1.5 Timeline and Budget for the Entire Project

The program will be implemented over a period of 10 years, organized in two phases. Phase 1 will focus on flood protection and river basin management activities in the Sava and Drina River Corridors. It will start with Brcko District (BiH), Serbia and Montenegro while other entities and countries can join as they become ready. Phase 2 will build on Phase 1 and strengthen river port connectivity and environmental management. The estimated program cost for both phases is US\$298 million.

2.2 Scope and Purpose of the Resettlement Framework

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

- the legislation in force in Montenegro, and
- The World Bank Environmental and Social Framework, specifically its Environmental and Social Standard 5: “Land Acquisition, Restrictions on Land Use and Involuntary Resettlement” (ESS5)¹.

The RF has been prepared as the exact locations of subprojects, potential land impacts and the extent of resettlement have not yet been defined. Once the specific locations and impacts become known, the RF will guide the preparation of Resettlement Plans (RPs) where applicable. RPs will be prepared for all subprojects that entail resettlement, in order to satisfy the provisions of ESS5 and the requirements of local legislation regarding

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

land acquisition. Project activities that will cause physical and/or economic displacement will not commence until such specific plans have been finalized and approved by the Bank.

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

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

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

2.3 Potential for Land Acquisition/Resettlement and the Screening Process

The proposed Project activities are very likely to have land acquisition impacts, including physical relocation due to civil works and restricted access to economic resources for riverine communities due to changes in access and resource use.

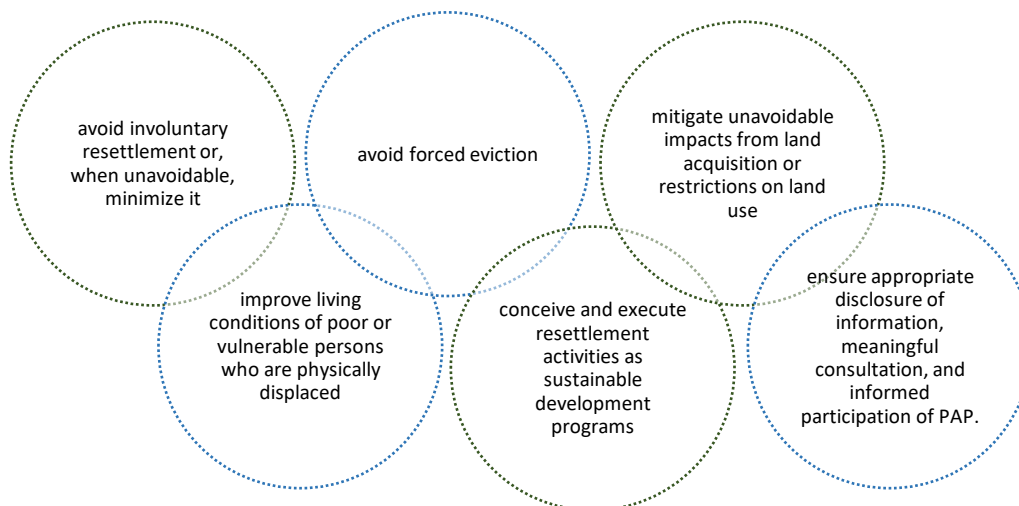
A preliminary list of subprojects has been identified, but are not yet mature for implementation.

Prior to the submission of subprojects for funding consideration, the PIU shall carefully screen the proposed subprojects to assess whether or not land acquisition may be required and to what extent. It is important to take into consideration during such screening that even though the planned project activities may not lead to impacts in terms of land acquisition, preparatory investment activities foreseen during the project preparation period (such as drilling activities, site clearance or construction of access roads) may involve temporary land acquisition or temporary occupation of land, in which case the PIU must ensure that such preparatory activities are also in compliance with the requirements of this RF. In addition, the proposed projects involving the development of studies and designs that would facilitate/recommend the construction of physical infrastructure need to be diligently screened to establish any potential impacts associated with specific subsequent investments (regardless whether such future activities will be funded by the WB or other sources).

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

3 WORLD BANK REQUIREMENTS

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



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

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

The key requirements of ESS5 may be summarized as follows:

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

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

4 LEGAL FRAMEWORK IN MONTENEGRO

4.1 Constitution of Montenegro

The Constitution of Montenegro² lays down the legal basis for expropriation of land and protects property rights, only exceptionally allowing the possibility of limiting these property rights in case when it is imposed by public interest and established by the law or based on the law.

4.2 Law on Expropriation of Montenegro

The *Law on Expropriation*³ guides the land/property management in the Republic of Montenegro.

The main provisions of the Law are as follows:

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

² Official Gazette of Republic of Montenegro, No. 1/2007, as amended subsequently

³ Official Gazette of the Republic of Montenegro, No. 55/00, 12/02, 28/06, 21/08, 30/17 and 75/18

In addition, the Law stipulates that the financial and other personal/family circumstances of the previous owner must be taken into consideration if such circumstances are “of significance to the livelihood of the owner” (large number of household members, number of household members earning income, the health status of the household members, monthly income of the household, etc.).

- The amount of compensation is determined by a committee established by the competent authority and approved by the competent authority. The committee consists of five members, of which at least three members must be court experts for valuation of property. The methodology for valuation is defined by the *Ordinance on Methodology for Assessing Property Value*⁴ adopted by the Finance Ministry. The Ordinance refers to the International Valuation Standards and European Valuation Standards as the basis for valuation.
- Property rights on the new property are formally transferred based on the final Decision on Expropriation and proof that compensation has been provided/paid.
- The Law foresees rights of affected citizens (those with formal legal rights) to appeal at many stages of the expropriation procedure, beginning with administrative and judicial appeals (i.e. against the decision on public interest and the decision on expropriation).
- Those who have formal legal rights are informed throughout the expropriation process (i.e. passing of the decision on public interest; before the decision on expropriation is passed, the municipal office in charge of expropriation has to invite the affected person with formal legal rights to a meeting to present any facts which may be relevant for expropriation).

Other Related Legislation of Montenegro

- The *Law on Ownership and Property Relations*⁵ regulates ownership rights and other property rights. A significant provision of the Law is the conscientious builder of a structure on land owned by another person is entitled to acquire such land, if the land owner did not oppose to the construction. The land owner is in this case entitled to request to be compensated for the market value of the land, not later than ten years from the date the construction was completed. In case the builder of a structure on land owned by another person was not conscientious, and the land owner opposed to such construction, the land owner may request to acquire the ownership right over the structure (but must pay the structure owner the construction value of the structure) or the removal of the structure from his/her land or to be compensated for the market value of the land.
- The *Law on Spatial Planning and Construction of Structures*⁶ regulates the system of spatial planning in Montenegro, the manner and conditions for construction of structures, the legalization of illegal structures and other issues of significance for spatial planning and construction. It foresees that owners of illegally built structures must apply for legalization which is carried out by local authorities, and regulates the conditions for such legalization. Another significant provision of the Law is that the adoption of spatial planning documents implies that public interest for expropriation has been declared by such adoption itself (meaning that no further special decision on public interest is required).
- The *Law on Social Welfare and Child Protection*⁷ enables provision of social welfare payments and services to vulnerable Montenegrin residents. Assistance from social workers can be used to address the needs of Roma, persons with disabilities, single headed households, households with low incomes, etc.

⁴ Official Gazette of Republic of Montenegro, No. 64/18

⁵ Official Gazette of Republic of Montenegro, No. 19/2009

⁶ Official Gazette of Republic of Montenegro, No. 064/17, 044/18 and 063/18

⁷ Official Gazette of Republic of Montenegro, No. 27/13, 1/15, 42/15, 47/15, 56/16, 66/16, 1/17, 31/17, 42/17 and 50/2017

- The *Law on Social Housing*⁸ foresees the provision of social housing to households who do not have an apartment or other residential structure or whose residential structure is in poor condition and who are unable to secure an adequate residential structure with their income.
- The *Law on State Survey and Cadaster*⁹ establishes the Property Cadaster as a single public record which contains, inter alia, data on expropriation.

4.3 Gaps and Solutions

In general, the above described legislation in Montenegro is generally compatible with WB requirements. The main gaps between local legislation and WB requirements and the solutions addressed through this RF are presented in Table 1 below. Given the explained differences between ESS5 and the local legislation, it will be possible to reconcile these differences in the phase of negotiations (for both formal and informal owners/users) which are allowed by the legislation, in order to avoid formal expropriation.

Table 1: Analysis of gaps and measures to bridge gaps

Issue	Gap	Measures to bridge the gap
Avoiding involuntary resettlement	The Law does not specifically mention the avoidance of involuntary resettlement. However, resettlement and expropriation are avoided or minimized in practice during project design, in the context of minimizing costs. In addition, the Law allows the expropriation beneficiary to reach a negotiated settlement on the amount and type of compensation with property owners, until the moment the Decision on Expropriation becomes valid. In that case, the expropriation procedure is terminated.	Maximum efforts will be made to sign negotiated settlements with project affected persons in order to avoid expropriation, and such efforts shall be documented, as defined under the “Key Principles and Commitments” chapter of this RF.
Resettlement planning and implementation	There are no explicit requirements in the Law related to socio-economic surveys or development of resettlement plans, but the expropriation proposal prepared by the expropriation beneficiary has to include information on the properties to be expropriated. The scope of such information is not identical to the baseline assessment as required by ESS5.	As defined under the “Key Principles and Commitments” chapter of this RF, RPs will be prepared for all subprojects that entail resettlement. The development of the RPs will also include a socio-economic survey and census which will identify both formal and informal land/property users as well as vulnerable persons/ households.
Cut-off date	There are no differences with respect to determining the cut-off date (the date after which persons who take residence in the project area are not eligible to a compensation and/or assistance) between ESS5 and the national legislation. However, national legislation has no requirement to communicate the cut-off date throughout the project area.	As defined under the “Key Principles and Commitments” chapter of this RF, the cut-off date will be communicated: (i) in the local media, (ii) at consultation meetings.
Compensation for displaced persons	There are no differences between ESS5 and the Law with respect to the principle of determining the <i>type</i> of compensation, given that the Law allows both compensation in cash and in kind, with preference given to in kind compensation for particular types of assets such as arable agricultural land. In particular, the “fair compensation” requirement of the Law is compliant with the WB requirement of “compensation at replacement cost” – Article 35 of the Law stipulates that when compensation is provided in cash, it is determined in the amount of the market value of similar properties in the area, increased by any losses of income during the resettlement period, depending on the manner the property was	Compensation will be provided in line with ESS5 requirements, as defined under the “Key Principles and Commitments” chapter. Specific entitlements are listed in the Entitlements Matrix.

⁸ Official Gazette of Republic of Montenegro, No. 35/13

⁹ Official Gazette of Republic of Montenegro, No. 29/07, 73/10, 32/11, 43/15, 37/17 and 17/18

Issue	Gap	Measures to bridge the gap
	<p>used and the costs of resettlement”, and when compensation is provided in kind, the previous owner is provided with replacement property plus the payment of all accompanying costs.</p> <p>A major gap between ESS5 and the Law is that the Law refers only to formal owners of property with no exceptions as the category of persons who are entitled to compensation.</p>	
Economic displacement	<p>The Law does recognize the right of (formal) owners to <i>compensation of lost income</i> during the period of resettlement. It also stipulates that the financial and other personal/family circumstances of the previous owner must be taken into consideration if such circumstances are “of significance to the livelihood of the owner” (large number of household members, number of household members earning income, the health status of the household members, monthly income of the household, etc.).</p> <p>However, the Law does not foresee compensation for economic displacement to the same extent as ESS5 (e.g. compensation for informal owners/users who will be economically displaced, ensuring a system of assistance, etc.).</p>	Same as above
Vulnerable groups	There are no specific provisions in the Law which require consultations with and providing assistance to vulnerable groups in the expropriation process.	Appropriate measures will be applied in line with this RF.
Grievance mechanism	While the Law does foresee the rights of affected citizens (those with formal legal rights) to appeal at many stages of the expropriation procedure, beginning with administrative and judicial appeals (i.e. against the decision on public interest and the decision on expropriation), there is no requirement for establishment of an independent grievance mechanism to process complaints related to specific projects.	A grievance mechanism in line with ESS5 will be established as described under the “Grievance Mechanism” chapter of this RF.
Participation/ consultations	Several articles of the expropriation laws stipulate notifying of/consultation with property owners. However, there is no requirement to ensure involvement of all affected population from the earliest phase.	Disclosure of information and consultations will be carried in out in line with the requirements of this RF.

5 KEY LAND ACQUISITION / RESETTLEMENT PRINCIPLES AND COMMITMENTS

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

1. Compliance with local legislation and WB requirements

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

2. Avoiding or minimizing resettlement

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

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

3. Resettlement Plans (RPs)

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

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

4. Cut-off date

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

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

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

5. Improving livelihoods and standards of living

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

6. Compensation

All owners, occupants and users of affected properties at the time of the cut-off date, whether with or without fully recognized ownership rights, will be eligible for certain type of compensation or assistance as outlined in the Entitlements Matrix (Table 2 of this document). Both loss of shelter (physical displacement) and loss of livelihoods (i.e. "economic displacement") shall be taken into account and mitigated.

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

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

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

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

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

7. Information disclosure and consultations

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

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

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

In addition, the PIU will disclose this RF and any future RPs to municipalities on whose territory land acquisition may take place, and assist the municipalities in understanding the requirements set out in these documents. The PIU, in cooperation with local authorities, will ensure that procedures for submitting grievances are communicated and available to PAPs at municipal level.

8. Temporary occupation of land

Short-term impacts related to temporary occupation of land for construction purposes will be compensated in accordance with the local legislation on expropriation, as well as in accordance with the requirements of ESS5 for any informal owners/users affected by such temporary land occupation, as stipulated in the Entitlements Matrix (Table 2 of this document).

9. Assistance to vulnerable persons

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

10. Relocation assistance

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

11. Grievance mechanism

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

12. Monitoring and evaluation

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

6 COMPENSATION AND ENTITLEMENTS

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

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

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

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

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

Compensation entitlements for different categories of eligible persons and assets covered either by the current applicable legislation of Montenegro, or by this RF to bridge the gaps and meet the specific WB requirements are described below in [Table 2](#).

Table 2: Entitlements Matrix

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

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

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY	ENTITLEMENT
	<p style="text-align: center;">+</p> <p style="text-align: center;">Cash compensation for loss of profit as a result of the project (until the restoration of business activities elsewhere), calculated based on average values of business transactions over the past three years recorded in the responsible tax authority</p>
<p>Loss of place of business and loss of business (owner of informal business structure or business structure of temporary character)</p>	<p style="text-align: center;">Cash compensation at construction value of commercial structure (as existing on the day of the cut-off date)</p> <p style="text-align: center;">+</p> <p style="text-align: center;">Ensuring an adequate replacement location for lease to enable continued business transactions, unless the owner has the same or similar business activity elsewhere</p> <p style="text-align: center;">+</p> <p style="text-align: center;">Cash compensation for costs of the transfer and reinstallation of the plant, machinery or other equipment</p> <p style="text-align: center;">+</p> <p style="text-align: center;">Cash compensation for loss of profit as a result of the project (until the restoration of business activities elsewhere (up to 6 months)), calculated based on average values of business transactions over the past three years recorded in the responsible tax authority</p>
<p>Loss of business in a leased structure (lessee)</p>	<p style="text-align: center;">Timely notification of the lessee in order to honor the notice period</p> <p style="text-align: center;">+</p> <p style="text-align: center;">Compensation for all improvements on premises (such as reconstruction, refurbishment etc.) at replacement cost</p> <p style="text-align: center;">+</p> <p style="text-align: center;">Compensation for costs of equipment and inventory relocation and re-installation</p> <p style="text-align: center;">+</p> <p style="text-align: center;">Cash compensation on a one-time basis (transitional allowance) to be determined on a case to case basis during social survey by obtaining relevant data on income and livelihood. Transitional allowance shall then be determined commensurate with the loss</p> <p style="text-align: center;">+</p> <p style="text-align: center;">Provision of replacement premises for lease or assistance to identify an alternative location</p>
<p>Temporary land occupation during construction works (formal or informal business structures)</p>	<p style="text-align: center;">Affected land and infrastructure shall be restored to the pre-project condition</p> <p style="text-align: center;">+</p> <p style="text-align: center;">Cash compensation for temporary occupation of the land in the amount of a lease at market value</p> <p style="text-align: center;">+</p> <p style="text-align: center;">Compensation for any lost asset (such as structure, trees, etc.)</p>
<p>Loss of salaries (employees in formal or informal business structures)</p>	<p style="text-align: center;">In case of temporary interruption of business operations and consequently temporary interruption of work of employees: compensation for loss of salaries to employees up to 6 months, in the amount of the average salary for the last six months (to be paid directly to the employer who shall submit proof of paid salaries in the transition period)</p> <p style="text-align: center;">In case of termination of business activities as a result of the project: compensation for severance pay to employees in the amount of salaries paid in the last six months (to be paid directly to the employees)</p>
<p>Temporary losses of business income/rent during the construction works (businesses which are not relocating)</p>	<p style="text-align: center;">Cash compensation for loss of income until the completion of construction works which directly impact the business operations of the business entity, in line with assessment of court experts</p>

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY	ENTITLEMENT
Reduced value of business property due to acquisition of part of land on which business assets are located (e.g. parking lot of business)	Cash compensation for reduced value for business property, in line with assessment of court experts
OTHER	
Impacts on vulnerable groups	<p>On top of all rights defined in this matrix, vulnerable PAP will be provided additional assistance including legal assistance and help. Any additional support required for any affected vulnerable households will be determined on case-to-case basis during socio-economic survey.</p> <p>These PAP are to be given priority of employment on the project if possible.</p>
Loss of public infrastructure	Public infrastructure will be replaced before destruction by infrastructure of the same or better specifications.
Undefined impact (permanent or temporary loss)	Any undefined impact shall be mitigated in accordance with the principles and objectives of this RF. In case of discrepancies between national legislation and WB policy in a particular case, the provision more favorable for the affected owner/user shall prevail.

7 COMPENSATION FOR DIFFERENT CATEGORIES OF ASSETS

Compensation for structures and compensation for construction land

Compensation for structures and construction land which are identified for expropriation can be cash compensation or provision of replacement property. In case of provision of replacement assets, the following criteria should be applied to the greatest possible extent:

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

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

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

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

Compensation for agricultural land

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

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

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

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

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

Compensation for unviable land

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

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

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

Compensation for crops and trees

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

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

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

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

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

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

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

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

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

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

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

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

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

Compensation for business-related losses

Businesses that need to be relocated will be compensated for:

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

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

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

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

8 DISCLOSURE OF INFORMATION AND PUBLIC CONSULTATIONS

The requirements for disclosure of Project relevant information and public consultations have been set out in the Stakeholder Engagement Plan (SEP) prepared within the framework of the Project for the purpose of enhancing stakeholder engagement throughout the life cycle of the Project, and carrying out stakeholder engagement in line with local legislation and WB requirements.

The PIU, together with the representatives of public authorities in charge of expropriation, is responsible for communicating with affected communities and Project Affected People (PAPs).

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

- the website of the Ministry of Agriculture and Rural Development of Montenegro (www.minpolj.gov.me)
- the website of the involved municipality.

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

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

The PIU will disclose this RF and any future RPs to municipalities on whose territory land acquisition may take place (in both English and local languages), and assist the municipalities in understanding the requirements set out in these documents. The PIU, in cooperation with local authorities, will ensure that procedures for submitting grievances are communicated and available to PAPs at municipality level.

Public consultation on this RF will be held (may be held in the same time as public consultation for approved drafts of other Project documents). The RF will be disclosed (on PIU and Project website) and will be available for public insight at least 10 days prior to public consultations and sufficient time must be given for submitting comments and questions. The public consultation invitation will be sent to institutional stakeholders and published in national and local newspapers of communities that are known to be, or may be, affected by the Project (in local municipalities that are affected by nominated sub-projects and along Sava Drina corridor). Public consultation will be announced in other media, as available (websites, social media, TV and radio stations).

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

9 GRIEVANCE MECHANISM

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

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

The PIU will ensure that the involved municipality dedicates at least one officer to the task of administering grievances. This officer will ensure that grievances are acknowledged receipt of within 7 calendar days, that grievances are allocated to the right person for review and proposal of resolution, and that resolution / closure letters are timely sent to the complainant and acknowledged receipt of. The officer in charge at municipality level will have to provide updates to the PIU on the received grievances on a regular basis and upon any extraordinary or urgent developments.

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

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

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

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

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

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

- one member of the PIU,
- one member of the relevant Municipality/City,
- two representatives of PAP.

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

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

Contact details for enquiries and grievances:

**Attention: Mr. Momčilo Blagojević , Head of PIU, Sava and Drina River Corridors Integrated Development Project
Ministry of Agriculture and Rural Development - *Directorate for Water Management***

Address: Rimski Trg 46, 81000 Podgorica

Tel: + 382 20 482 260, E-mail: momcilo.blagojevic@mpr.gov.me

10 Implementation of RPs

10.1 Implementation Responsibilities

Ensuring that the entire process of RP preparation and implementation in Montenegro is carried out adequately in line with the requirements of this RF will be the responsibility of the PIU.

The PIU will appoint an officer for liaison with municipalities and other involved agencies, who will be responsible for communication with and disclosure of information to all involved parties.

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

The specific tasks regarding the preparation and implementations of RPs will be shared between the PIU, municipal administrations and other involved agencies, according to Table 2 below:

Table 3: Organizational Responsibilities and Arrangements

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

10.2 Costs

The costs of the land acquisition / resettlement process will be the responsibility of the Montenegro Ministry of Agriculture and Rural Development. Social assistance costs will be the responsibility of the mentioned ministry and the involved municipalities. Detailed cost estimates will be provided in the RPs.

10.3 Monitoring and Reporting

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

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

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

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

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

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

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

ANNEXES

A	Minimum Elements of a Resettlement Plan
B	Sample Grievance Form

A. Minimum Elements of a Resettlement Plan

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

General requirements for a resettlement plan

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

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

Additional planning requirements where resettlement involves physical displacement

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

ELEMENT	EXPLANATION
Transitional assistance	The plan describes assistance to be provided for relocation of household members and their possessions (or business equipment and inventory). The plan describes any additional assistance to be provided for households choosing cash compensation and securing their own replacement housing, including construction of new housing. If planned relocation sites (for residences or businesses) are not ready for occupancy at the time of physical displacement, the plan establishes a transitional allowance sufficient to meet temporary rental expenses and other costs until occupancy is available.

ELEMENT	EXPLANATION
Site selection, site preparation, and relocation	<p>When planned relocation sites are to be prepared, the resettlement plan describes the alternative relocation sites considered and explains sites selected, covering:</p> <ul style="list-style-type: none"> a) institutional and technical arrangements for identifying and preparing relocation sites, whether rural or urban, for which a combination of productive potential, locational advantages, and other factors is better or at least comparable to the advantages of the old sites, with an estimate of the time needed to acquire and transfer land and ancillary resources; b) identification and consideration of opportunities to improve local living standards by supplemental investment (or through establishment of project benefit-sharing arrangements) in infrastructure, facilities or services; c) any measures necessary to prevent land speculation or influx of ineligible persons at the selected sites; d) procedures for physical relocation under the project, including timetables for site preparation and transfer; and e) legal arrangements for regularizing tenure and transferring titles to those resettled, including provision of security of tenure for those previously lacking full legal rights to land or structures.
Housing, infrastructure, and social services	Plans to provide (or to finance local community provision of) housing, infrastructure (e.g., water supply, feeder roads), and social services (e.g., schools, health services); plans to maintain or provide a comparable level of services to host populations; any necessary site development, engineering, and architectural designs for these facilities.
Environmental protection and management	A description of the boundaries of the planned relocation sites; and an assessment of the environmental impacts of the proposed resettlement and measures to mitigate and manage these impacts (coordinated as appropriate with the environmental assessment of the main investment requiring the resettlement).
Consultation on relocation arrangements	The plan describes methods of consultation with physically displaced persons on their preferences regarding relocation alternatives available to them, including, as relevant, choices related to forms of compensation and transitional assistance, to relocating as individual households families or with preexisting communities or kinship groups, to sustaining existing patterns of group organization, and for relocation of, or retaining access to, cultural property (e.g., places of worship, pilgrimage centers, cemeteries).
Integration with host populations	<p>Measures to mitigate the impact of planned relocation sites on any host communities, including:</p> <ul style="list-style-type: none"> (a) consultations with host communities and local governments; (b) arrangements for prompt tendering of any payment due the hosts for land or other assets provided in support of planned relocation sites; (c) arrangements for identifying and addressing any conflict that may arise between those resettled and host communities; and (d) any measures necessary to augment services (e.g., education, water, health, and production services) in host communities to meet increased demands upon them, or to make them at least comparable to services available within planned relocation sites.

Additional planning requirements where resettlement involves economic displacement

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

ELEMENT	EXPLANATION
Direct land replacement	For those with agricultural livelihoods, the resettlement plan provides for an option to receive replacement land of equivalent productive value, or demonstrates that sufficient land of equivalent value is unavailable. Where replacement land is available, the plan describes methods and timing for its allocation to displaced persons.
Loss of access to land or resources	For those whose livelihood is affected by loss of land or resource use or access, including common property resources, the resettlement plan describes means to obtain substitutes or alternative resources, or otherwise provides support for alternative livelihoods.

ELEMENT	EXPLANATION
Support for alternative livelihoods	For all other categories of economically displaced persons, the resettlement plan describes feasible arrangements for obtaining employment or for establishing a business, including provision of relevant supplemental assistance including skills training, credit, licenses or permits, or specialized equipment. As warranted, livelihood planning provides special assistance to women, minorities or vulnerable groups who may be disadvantaged in securing alternative livelihoods.
Consideration of economic development opportunities	The resettlement plan identifies and assesses any feasible opportunities to promote improved livelihoods as a result of resettlement processes. This may include, for example, preferential project employment arrangements, support for development of specialized products or markets, preferential commercial zoning and trading arrangements, or other measures. Where relevant, the plan should also assess the feasibility of prospects for financial distributions to communities, or directly to displaced persons, through establishment of project-based benefit-sharing arrangements.
Transitional support	The resettlement plan provides transitional support to those whose livelihoods will be disrupted. This may include payment for lost crops and lost natural resources, payment of lost profits for businesses, or payment of lost wages for employees affected by business relocation. The plan provides that the transitional support continues for the duration of the transition period.

B. Sample Grievance Form

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

Signature: _____

Date: _____

Please return this form to:

Attention: Mr. Momčilo Blagojević, Head of PIU, Sava and Drina River Corridors Integrated Development Project Ministry of Agriculture and Rural Development - Directorate for Water Management Address: Rimski Trg 46, 81000 Podgorica Tel: + 382 20 482 260, E-mail: momcilo.blagojevic@mpr.gov.me
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