

**Republic of Croatia**

**Ministry of Justice and Public administration  
and  
State Geodetical Administration**

**Integrated Land Administration and Justice Services Project**

**RESETTLEMENT POLICY FRAMEWORK**

**January 2024**

**1**

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## Abbreviations

CEPEJ	European Commission for the Efficiency of Justice
CO	Cadaster offices
ESMP	Environmental and Social Management Plan
ESF	Environmental and Social Framework
ESS	Environmental and Social Standard
ESS5	Environmental and Social Standard 5
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
ILAS	Integrated Land Administration Systems Project
IP	Inspection Panel
JIS	Joint information system
J4B	Justice for Business Project
LRO	Land registry offices
M&E	Monitoring and Evaluation
MoJPA	Ministry of Justice and Public Administration
NGO	Nongovernmental Organization
OHS	Occupational Health and Safety
OSS	One Stop Shop
PAP	Project Affected Persons
PIU	Project Implementation Unit
RAP	Resettlement Action Plans
RPF	Resettlement Policy Framework
SEPs	Stakeholder Engagement Plans
SGA	State Geodetic Administration

## 1. Description of the project

The World Bank will be supporting Ministry of Justice and Public Administration (MoJPA) and the State Geodetic Administration (SGA) (further in text implementing agencies) in implementing the Integrated Land Administration and Justice Services Project. The objective of the project is to (i) improve functional integration of Croatia's land and justice institutions; and (ii) enhance services for citizens. The project will support activities listed below.

Component A: Integrated Digital Land Registry and Court Services will finance activities that will support the digitization and integration of land registry court data and services. It will continue the digitization of paper and land registry and court records, making them more resilient to disaster and more easily shareable through the Joint information system (JIS) and other online systems.

Component B: Integrated Digital Services of State Registers and Geospatial will support enhanced geospatial data. Data from about two-thirds of counties in Croatia are not yet included in the infrastructure cadaster. Mapping and recording the location of infrastructure supports land use planning.

Component C: Further Digital Integration of Land Register and Cadaster includes enhancements to the JIS and One Stop Shop (OSS), such as: (i) improving data quality and maintenance; (ii) recording of real property prices; (iii) simplifying online access to land records; (iv) upgrading of mobile apps (My Properties); (v) simplifying the process of recording construction rights; (vi) further digitization of cadaster processes; and (vii) extension of JIS access to lawyers.

Component D: Integrated Court, Land registry Offices (LRO) and Cadaster offices (CO) Infrastructure will provide construction of court, registry and cadaster infrastructure to international and EU standards to support improved service delivery and establishment of a new structure for addressing appeals of land disputes. This component would support construction of new infrastructure to support integrated cadaster, land registry and court services and establish a Land Court of Appeals. This component will support construction of new infrastructure in areas possibly to include Novska, Rijeka, Bjelovar and Velika Gorica. This component will also support provision of new ICT cabling to improve digital services in thirty COs.

Component E: Institutional capacity building, policy analysis, and Project Management will support Project Implementation Unit (PIU) operations and Monitoring and Evaluation (M&E) activities. It will also finance capacity building programs and the implementation of public awareness campaigns and customer satisfaction surveys. Capacity building programs to be financed via Component E will include topics such as (i) cadaster and land registry laws; (ii) individual reconciliation of cadaster and land registry data; (iii) land registry renewal; (iv) joint cadaster and land registry procedures; (v) use of MoJPA and SGA e-services by public and professional users; and (vi) management training.

The project activities will take place nationwide with the exception of component D that includes construction of new infrastructure in areas possibly to include Novska, Rijeka, Bjelovar and Velika Gorica. Specific locations of subprojects in Rijeka and Velika Gorica are not known at this stage, because the most suitable land plots where the new integrated infrastructure will be built are still

under consideration. The subproject locations will be known within the first year of project implementation.

## **2. Potential impacts related to land acquisition, restrictions on land use and involuntary resettlement**

Component D “Integrated Court, LROs and COs Infrastructure” includes construction of new court, registry and cadaster infrastructure in line with international and EU standards supporting improved service delivery. This component builds on the successful experience of the J4B project rehabilitating the Zagreb Municipal Civil Court and judicial facilities in Vinkovci, Kutina and Varaždin, and renovation of the Zagreb Land Registry Office through ILAS. This component supports construction of infrastructure in areas possibly to include Novska, Rijeka, Bjelovar and Velika Gorica.

In the moment of project appraisal the exact locations of the planned new integrated infrastructure in Rijeka and Velika Gorica are not yet known.

Currently the Municipal and County Court including land registry offices and the Cadaster Department in Velika Gorica are scattered across several locations in the city. Most premises are in the very center of the City of Velika Gorica, are in lease but still inadequate both in terms of quality and quantity of space. The judicial bodies being relocated include Municipal and County Courts in Velika Gorica, County and Municipal State Attorney’s Offices in Velika Gorica, and Real Property Cadaster Department Velika Gorica. Working conditions for employees and court users are not in line with judicial best practice and international standards (e.g., there is one single entrance for all users, including employees and litigants). It is important to stress that some of the Courts (County Court, Municipal Court) have jurisdiction on cases of underage children and youth but are not equipped to hold remote trials, which is required by national law for juvenile cases. Furthermore, adequate access for persons with disabilities is not adequately ensured. At this stage of project appraisal, the location of the planned new court and land administration building is yet not known.

For two projects sites (Rijeka, Velika Gorica) risks related to land acquisition, restrictions on land use and involuntary resettlement as defined by WB ESS5 cannot be excluded because exact locations of future courts are not defined yet. During the choice of the exact location a mitigation hierarchy approach will be adopted by anticipating and avoiding risks and impacts (including while choosing / determining the exact location). Where avoidance will not be possible the risks will be minimized or reduced and then mitigated. Regarding the Location in Novska the risk related to land acquisition, restrictions on land use and involuntary resettlement as defined by WB ESS5 is not high as the current users of the space are familiar with the plans for the location and currently do not oppose it. The location in Bjelovar is a publicly owned land in proximity of the existing Court (current yard and parking plot of the court) so there are no risks related to land acquisitions.

This component will also support provision of new ICT cabling to improve digital services in thirty COs.

The preliminary risk assessment for the Project determined that, for two subproject sites (Rijeka, Velika Gorica) within component D risks related to land acquisition, restrictions on land use and involuntary resettlement as defined by World Bank Environmental and Social Framework (ESF),

specifically its Environmental and Social Standard 5 (ESS5) “Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”<sup>1</sup> cannot be excluded because exact locations of the new integrated infrastructure are not defined yet.

A possible area in Rijeka could be within around publicly owned 42 ha for which the City of Rijeka is developing a new Urban Plan. Public consultations for new urban plan are planned by the end of 2023. Generally, in certain parts of the 42 ha the City of Rijeka leases the land to citizens for their city gardens and agricultural and leisure purposes. The city has signed the land lease agreement with each user and for the price of about EUR 0.30/m<sup>2</sup>. In line with contract provisions, the City of Rijeka can terminate the Contract, among other things, due to the repurposing of the space, whereby users of the gardens must move out and leave the space restored to its original state within 15 days from the notification. More precise data on the total area under lease, number of persons and /or entities that have signed the contract, the number and surface of gardens or other information on the use of the land have been requested. It is possible that the new development plan could cause some discontent/social risks to the overall project/social context. Once the exact location of the new judiciary and cadaster integrated infrastructure will be known, if it will be within the area under the new Urban plan, current users of land should be consulted through the sub-project SEP, and any risks and impacts will be addressed through tools and solutions foreseen within the Project’s Environmental and Social Management Framework Plan (ESMP) for the site, and/or, if deemed necessary, through an abbreviated Resettlement Action Plan (RAP) as described in this Resettlement Policy Framework (RPF).

Currently the Municipal and County Court including land registry offices and the Cadaster Department in Velika Gorica are scattered across several locations in the city. Most premises are in the very center of the City of Velika Gorica, are in lease but still inadequate both in terms of quality and quantity of space. Risks related to land acquisition, restrictions on land use and involuntary resettlement cannot be excluded for Velika Gorica at the stage of project appraisal, as the exact location of the planned new court and land administration building is yet not known. Novska is a smaller regional center in Sisak-Moslavina County to which residents of neighboring municipalities also gravitate, using higher-order functions such as the judiciary, cadaster, and land registry. Novska has a court Permanent Service that is part of the Municipal Court in Kutina. It currently uses city spaces that are incompatible with modern standards and technological requirements. There is a noticeable lack of space for judges, employees of all services and for users. down the work process, creates a poor working environment and reduces user satisfaction. The construction of the new judicial building of the Municipal Court Kutina-Permanent Service Novska and the accommodation of the Cadaster office and the Land Registry Department are envisaged in Potočka street no. 10 in the center of Novska. Construction is planned on building land kč.br. 1030, k.o. Novska area of 2,277 m<sup>2</sup> owned by the Republic of Croatia. The location was once used as a city market and a shop with household goods. With the construction of the new market, the need to use this space for this purpose disappeared. The space is used by the City Red Cross Society as an occasional warehouse when receiving and distributing goods to users. Other premises are used by the Association for Breeding Small Animals Novska and the Club of Pigeon Breeders Novska for occasional exhibitions

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<sup>1</sup> For more information on EES 5:

<https://thedocs.worldbank.org/en/doc/837721522762050108-0290022018/original/ESFFramework.pdf#page=67&zoom=80>

and competitions. Users do not have a contract on the use of space. During the project preparation phase representatives of the current space users have been contacted to inform them on the plans for the site, the fact that they will be asked to leave the spaces they are currently using and to collect their opinion, worries and eventual needs arising from their relocation. They confirmed their support to the project and the support that was provided by the town authorities in finding alternative spaces for their activities.

The new infrastructure in Bjelovar will host the Commercial Court, the County, and the Municipal State Attorney's Offices. It is planned on the same plot of land where the existing building of the judicial bodies of the city of Bjelovar is located, next to the existing building, at the address Ivša Lebovića, Bjelovar. The parcel in question is fully owned by the Republic of Croatia, i.e. the Ministry of Justice and public Administration.

For all cases, the locations in Rijeka and Novska, during the choice of the exact location a mitigation hierarchy approach will be adopted by anticipating and avoiding risks and impacts (including while choosing / determining the exact location). Where avoidance will not be possible the risks will be minimized or reduced and then mitigated. As above said, regarding the Location in Novska the risk related to land acquisition, restrictions on land use and involuntary resettlement as defined by WB ESS5 are not envisaged as the current users of the space are familiar with the plans for the location and currently do not oppose it. The new infrastructure in Bjelovar is planned on the parcel that is fully owned by the Republic of Croatia, i.e. the Ministry of Justice and public Administration and has no external users.

The potential types of risks for impacts on existing land users/owners from land taking could include:

#### **Impacts related to permanent taking of land**

1. Livelihood impacts due to loss of production, income, food production;
2. Loss of spaces to store goods and materials;
3. Costs to relocate existing assets to another location (plants, flowers, crops, materials, etc.);
4. Costs to secure a replacement location;

Tools to avoid, minimize, reduce and mitigate these risks include:

1. A census to identify and confirm all project affected peoples (PAPs) affected by land taking.
2. A socio-economic assessment of specific impacts on each PAP, inclusive of both individual interviews and broader consultation processes to understand the existence, scale and scope of impacts.
3. Abbreviated Resettlement Action Plans (RAPs) for sub-project in Rijeka and/or Velika Gorica and other potential sites, if the socio-economic assessment confirms the occurrence of risks to land acquisition, restrictions on land use and involuntary resettlement. The RAPs shall include a description of: each PAP, the impacts the process will have on them, the consultation process carried out to determine and assess those impacts, and the avoidance, mitigation, and/or compensation measures agreed with the PAP per the entitlements under ESS5 and this RPF.
4. A Project Grievance Redress Mechanism (GRM), aligned with Project and sub-project level Stakeholder Engagement Plans (SEPs) implemented by the PIU social specialists. This will support the project in terms of improvement of accessibility of information, increased awareness among the stakeholders, build trust deterring future conflicts.

### **3. Scope and objectives of the Resettlement Policy Framework**

The purpose of this Resettlement Policy Framework (RPF) is to clarify resettlement principles, organizational arrangements, and design criteria to be applied to subprojects in the event risks related to land acquisition, restrictions on land use and involuntary resettlement would occur.

If the risks related to land acquisition, restrictions on land use and involuntary resettlement would occur, this RPF will guide the preparation of Resettlement Action Plans (RAPs). The scope of the RAPs will depend on the scale of potential impacts. Under the project, since land acquisition and resettlement impacts are considered minor, abbreviated RAPs are being contemplated. The RAPs will be prepared for all locations that entail resettlement, to satisfy the provisions of ESS5 and the requirements of local legislation regarding land acquisition. In other works the abbreviated RAPs will be prepared for the locations in Rijeka and/or Velika Gorica, if the socio-economic assessment confirms the occurrence of risks to land acquisition, restrictions on land use and involuntary resettlement.

The Project Implementation Unit (PIU) shall carefully screen the proposed subproject locations to assess whether land acquisition may be required and to what extent. An example of a potential template for the land acquisition, restrictions on land use and involuntary resettlement screening process is given in Annex I. Following the screening process and determination of potential impacts, the PIU shall report the findings of the screening process to the WB and prepare site-specific RAPs, ensuring that all project activities adhere to the requirements of this RPF. The RAPs will be submitted to the WB for no-objection prior to disclosure and once the agreements have been made with the PAP. Project activities that will cause physical and/or economic displacement will not commence until such specific plans have been finalized with the PAPs, approved by the Bank, and disclosed on both the Bank and Ministry of Justice website. The scope of requirements and level of detail of the RAPs vary with the magnitude and complexity of resettlement. For this project, it is envisioned that abbreviated RAPs will suffice.

RAPs will be based on up-to-date and reliable information about:

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

The minimum elements of a RAP according to ESS5 have been explained in Annex II to this document.

### **4. 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:



- to avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring project design alternatives,
- to avoid forced eviction,
- to mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by:
  - o providing timely compensation for loss of assets at replacement cost and
  - o assisting displaced persons in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.
- to improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure.
- to conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant.
- to ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.

### **Scope of application**

The applicability of ESS5 is established during the environmental and social assessment described in ESS1. This ESS applies to permanent or temporary physical and economic displacement resulting from the following types of land acquisition or restrictions on land use undertaken or imposed in connection with project implementation:

- (a) Land rights or land use rights acquired or restricted through expropriation or other compulsory procedures in accordance with national law;
- (b) Land rights or land use rights acquired or restricted through negotiated settlements with property owners or those with legal rights to the land, if failure to reach settlement would have resulted in expropriation or other compulsory procedures;
- (c) Restrictions on land use and access to natural resources that cause a community or groups within a community to lose access to resource usage where they have traditional or customary tenure, or recognizable usage rights. This may include situations where legally designated protected areas, forests, biodiversity areas or buffer zones are established in connection with the project;
- (d) Relocation of people without formal, traditional, or recognizable usage rights, who are occupying or utilizing land prior to a project-specific cut-off date;
- (e) Displacement of people as a result of project impacts that render their land unusable or inaccessible;
- (f) Restriction on access to land or use of other resources including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas;
- (g) Land rights or claims to land or resources relinquished by individuals or communities without full payment of compensation; and
- (h) Land acquisition or land use restrictions occurring prior to the project, but which were undertaken or initiated in anticipation of, or in preparation for, the project.

ESS5 does not apply to impacts on incomes or livelihoods that are not a direct result of land acquisition or land use restrictions imposed by the project. Such impacts will be addressed in accordance with ESS1. ESS5 does not apply to voluntary, legally recorded market transactions in which the seller is given a genuine opportunity to retain the land and to refuse to sell it, and is fully informed about available choices and their implications. However, where such voluntary land transactions may result in the displacement of persons, other than the seller, who occupy, use or claim rights to the land in question, ESS5 applies.

Where a project supports land titling or other activities intended to confirm, regularize or determine land rights, a social, legal and institutional assessment will be required under ESS1. The assessment aims to identify potential risks and impacts, as well as appropriate design measures to minimize and mitigate adverse economic and social impacts, especially those that affect poor and vulnerable groups. This ESS does not apply to disputes between private parties in land titling or related contexts. However, where persons are required to vacate land as a direct result of a project-supported determination that the land in question is state land, ESS5 applies (in addition to the relevant provisions of ESS1 mentioned above). ESS5 does not apply to land use planning or the regulation of natural resources to promote their sustainability on a regional, national or subnational level (including watershed management, groundwater management, fisheries management, and coastal zone management). Where a project supports such activities, the Borrower will be required to conduct a social, legal and institutional assessment under ESS1, in order to identify potential economic and social risks and impacts of the planning or regulation, and appropriate measures to minimize and mitigate them, in particular those that affect poor and vulnerable groups.

According to ESS5, project affected persons (PAP) may be classified as follows:

<b>PAP Categories</b>		<b>Rights</b>
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)	
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)	Compensation for loss of land or assets + Resettlement and livelihood assistance
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 and compensation for lost assets other than land (such as crops, irrigation <sup>10</sup> infrastructure and other

		<p>improvements made to the land), at replacement cost. Additionally, the Borrower will provide assistance in lieu of land compensation sufficient to provide such persons with an opportunity to reestablish livelihoods elsewhere.</p>
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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.

- No land acquisition (i.e., start of construction) shall take place prior to the provision of all types of required compensation to affected owners.

## 5. Legal framework in the Republic of Croatia

The right of ownership is a right guaranteed under the Constitution of the Republic of Croatia that may be restricted or acquired by law, subject to compensation equal to the market value. Ownership rights may be exceptionally restricted by law for the purposes of protecting the interests and security of the Republic of Croatia, nature and the human environment and human health.

The expropriation procedure is regulated by the Act on Expropriation and Determination of Compensation (OG 74/14, 69/17, 98/19) (hereinafter: Expropriation Act).

According to the Expropriation Act real estate can be expropriated, unless otherwise prescribed by a special law, when it is necessary for the construction of a building or the execution of works in the interest of the Republic of Croatia, when it is assessed that the use of real estate, for which expropriation is intended, will achieve a greater benefit in a new purpose than that which was achieved by using that real estate in the previous way.

Therefore, expropriation will occur only when a certain public interest is established, that is, the interest of the Republic of Croatia, which is more important than the right of ownership of an individual. *Conditio sine qua non* is the compensation that the previous owner will receive for the expropriated real estate.

Real estate can be expropriated due to:

- construction or execution of economic infrastructure works
- construction of cemeteries and other municipal infrastructure facilities
- construction of health, educational, cultural and sports buildings
- construction of industrial, energy, water management, transport and electronic communications facilities
- construction of building for the needs of the Croatian judiciary, army and police
- exploration and exploitation of mineral and other treasures

### Public interest

Real estate can be expropriated after the Republic of Croatia's interest in the construction of buildings, or the execution of works has been established in the manner prescribed by the Expropriation Act. The Government of the Republic of Croatia takes the decision that the construction of a building or the implementation of works is in the interest of the Republic of Croatia at the proposal of the beneficiary of the expropriation. It is considered that the interest of the Republic of Croatia has been determined if a special law prescribes that the construction of a building or the execution of works is in the interest of the Republic of Croatia. In other words, to expropriate certain real estate, it is first necessary to determine the interest of the Republic of Croatia, that is, to find the necessary authorization in a certain law. For example, the Act on Roads stipulates that the construction, reconstruction, and maintenance of public roads is in the interest of the Republic of Croatia. In case the real estate is to be expropriated for the reconstruction of a public

road, it is not necessary to wait for the decision of the Government of the Republic of Croatia, but only to refer to the relevant provision of the law.

Expropriation can be carried out in favor of a natural or legal person - the beneficiary of the expropriation. By expropriation, the beneficiary of the expropriation acquires the right to use the real estate for the purpose for which the expropriation was carried out. Expropriation of real estate becomes the property of the user of expropriation - complete expropriation. With complete expropriation, the right of ownership of the previous ownership and other rights to that real estate cease.

Incomplete expropriation limits the right of ownership of real estate by establishing a lease. A lease can only be established if the land will be used for a limited time, up to five years at most, and for the purpose of:

- exploration of ore and other treasures
- quarry exploitation
- extraction of clay, sand, and gravel or similar

If the use of land based on a lease destroys the culture of the land so that it cannot be used in the way it has been used previously, the owner can demand that a complete expropriation be carried out. The request can be submitted within six months from the date of termination of the lease.

In case of complete expropriation, the right of ownership of the previous owner of the property ends completely, while in case of incomplete expropriation, it is limited. The distinction between complete and incomplete expropriation will have a direct impact on the possibilities of the previous owner regarding compensation for the expropriated real estate.

During the expropriation procedure, the beneficiary of the expropriation should:

- obtain a determination of the interests of the Republic of Croatia,
- obtain insurance proof of the condition and value of real estate and finally,
- obtain a proposal for expropriation, in the form of a decision of the responsible body.

The responsibility to carry out preparatory action for the expropriation procedures is on the bodies of the local and regional self-government units, or the body of the City of Zagreb, with jurisdiction in the performance of state administration tasks. The state administration body responsible for judicial affairs (currently the Ministry of Judiciary and Public Administration, MoJPA) carries out the expropriation procedure if the expropriation is carried out for the purpose of implementing works that are part of a project that is declared, by the Government of the Republic of Croatia, as a strategic project.

The beneficiary of expropriation is obliged to try to resolve the issue of ownership with the previous owner of the real estate before submitting the proposal for expropriation, that is, to try to buy it, lease it or establish an easement to perform works.

It is important to emphasize that the law stipulates that the costs of the procedure are borne by the expropriation beneficiary, so the body responsible for carrying out the expropriation procedure<sup>3</sup> cannot oblige the previous owner to bear the costs of the procedure, except in the case that the

previous owner decides to file an appeal against the decision on expropriation, and the appeal is not adopted.

#### Realization of the best interest of the previous owner

Compensation for expropriated real estate is a key part of the expropriation process. The beneficiary of the expropriation and the owner of the real estate may enter into an agreement on the form and amount of the compensation and the deadline by which the beneficiary of the expropriation is obliged to fulfil the obligation related to the compensation before the decision on expropriation is made. For expropriated real estate, the owner is entitled to monetary compensation in the amount of the real estate's market value. The value of real estate for which expropriation is proposed is expressed in money based on the evaluation study prepared by a permanent court expert for the assessment of real estate or a permanent court appraiser. The court's experts will prepare an evaluation study by applying the Act on the Valuation of Real Estate (OG 78/2015), and based on the evaluation study, compensation in money will be expressed as the market value of the real estate at the time of the preparation of the evaluation study.

Compensation for fully expropriated real estate is determined in money equal to the market value of the real estate being expropriated at the time of the first-instance decision on expropriation or at the time of the conclusion of a settlement according to Expropriation Law, considering the useful properties of the real estate that it had before the change of use.

Exceptionally, compensation for completely expropriated real estate is determined by giving ownership of another suitable real estate whose value corresponds to the market value of the real estate being expropriated, in the same municipality or city, which enables the previous owner of the real estate to have the same living conditions and conditions of use as he had using the original real estate, and when the beneficiary of expropriation disposes of such real estate.

The owner of the building has no right to compensation for a building that was built unlawfully (without the permission or in violation of the relevant Act). The removal of a building, i.e. the legalization of an illegally built building is a preliminary issue for the expropriation procedure. If in the expropriation procedure it is determined that there is no executive decision on the removal of the unlawfully constructed building from paragraph competent authority will terminate the expropriation procedure and request the construction inspection to start a procedure to resolve the issue according to a special regulation. The competent authority will stop the expropriation procedure until the end of the procedure conducted based on the law regulating the handling of illegally constructed buildings. The expropriation procedure will not be terminated if the beneficiary of the expropriation and the owner of the real estate agree that the value compensation for the illegally built building shall be determined by applying the rules on determining the market value of the real estate.

The owner of the real estate has the right to harvest crops and gather fruits that have ripened at the time of the expropriation beneficiary's possession. If the owner of the real estate will not be able to collect crops and collect fruits upon the acquisition of the possession of the beneficiary of expropriation, he has the right to compensation for the crops and fruits according to the usuáln

wholesale price of those crops and fruits at the time of the acquisition of the possession of the beneficiary of the expropriation.

In case of expropriation of many properties (more than ten) and several property owners (more than ten), the beneficiary of the expropriation is obliged to submit proof of the announcement of the offer to the property owners. The offer is published in the daily press or in a locally common way of public communication (radio, television, social networks, etc.) and contains an indication of the building that is planned to be built, an indication of the cadastral parcels and cadastral municipalities that are included in the expropriation plan, and the amount of the market fee which is offered for the acquisition of ownership rights, the establishment of easements or the establishment of leases on these properties with payment terms.

In the process of expropriation, the Ministry or the competent authority investigates, conducts an oral hearing, and presents evidence to determine all essential facts and circumstances necessary to determine the compensation for the expropriated real estate. In the procedure, the party must be given the opportunity to state all the facts, circumstances, and legal issues important for the resolution of the administrative matter. As a result of the above, the competent body that decides in the expropriation procedure can, exceptionally, as compensation for the expropriated real estate, determine the transfer of ownership to another real estate that corresponds to the previous one in terms of value and location. Also, the previous owner of the real estate has the right during the proceedings, to declare whether the preferable option for compensation is another suitable real estate or the amount corresponding to the market value of the property.

## **6. Other relevant Legislation in Croatia**

### Act on Ownership and Other Real Rights and Civil Obligations Act

In the process of expropriation, the expropriation beneficiary concludes a sales contract for that real estate with the real estate owner pursuant to provisions of the Act on Ownership and Other Real Rights (OG 91/96, 68/98, 137/99, 22/00, 73/00, 129/00, 114/01, 79/06, 141/06, 146/08, 38/09, 153/09, 143/12, 152/14, 81/15, 94/17) and provisions of the Civil Obligations Act (OG 35/05, 41/08, 125/11, 78/15, 29/18, 126/21, 114/22, 156/22). The contract on sale of real property, which has to be concluded in writing, determines, inter alia, the following as essential terms of the contract: subject of sale (real property is designated by the cadastral plot number, type of crops, surface, land register file number and cadastral municipality in which it is registered), sale price and deadline for payment thereof, and the issue of entry into possession is regulated. For resolving property-legal relations, in cases when the transfer of the right of ownership is not permitted under valid regulations, the use of real property is provided by establishing the right to build. The right to build is a limited real right on someone's land, authorizing the person having the right to have his own building on the surface of the land or below it, and the everyday owner of the land is bound to sufferance. The right to build is established by concluding a contract and entry into the land register, that is, after the decision on establishing the right to build adopted by the competent body becomes final.

### Act on Regulating Property Relations for the Purpose of Construction of Infrastructure Buildings

To avoid, minimize, reduce and mitigate risks related to land acquisition, restrictions on land use and involuntary resettlement priority will be given to locations or land plots owned or managed by a legal entity owned by the Republic of Croatia or a legal entity whose founder is the Republic of

Croatia and / or to land plots owned by a legal entity owned by or founded by, or whose founders are local or regional self-government units. According to the Act on Regulating Property Relations for the Purpose of Construction of Infrastructure Buildings (OG 80/11, 144/21) legal entities owned by the Republic of Croatia and legal entities founded by the Republic of Croatia, which manage infrastructure buildings owned by the Republic of Croatia, do not pay compensation for the acquisition of ownership rights, easement rights and building rights to other legal entities owned by the Republic of Croatia and legal entities founded by the Republic of Croatia.

#### **7. Gaps and measures to overcome gaps.**

Overall, the national legislation reflects the provisions of the Bank's ESS5 however, there are some differences to be noted.

#### **Formal vs. Informal property Rights**

Under national legislation, the emphasis is put on the definition of formal property rights and on how the property acquisition for public purposes is to be implemented and compensated whilst for ESS5 lack of title should not be a bar to compensation and rehabilitation measures as economic rehabilitation of all affected people needs to be addressed (including those who do not have formal legal rights on assets and those who have no recognizable legal right).

National legislations state that the owner of a property shall be compensated in compliance with the Expropriation and Determining of Compensation Act, i.e. they shall receive either a replacement real property or the full compensation. The owner of the building has no right to compensation for a building that was built unlawfully (without the permission or in violation of the relevant Act). This is because the removal of a building, i.e. the legalization of an illegally built building, is a preliminary issue that has to be resolved before the expropriation procedure. If in the expropriation procedure it is determined that there is no executive decision on the removal of the unlawfully constructed building, the competent authority will terminate the expropriation procedure and request the construction inspection to start a procedure to resolve the issue according to a special regulation (removal of building or legalization). The competent authority will stop the expropriation procedure until the end of the procedure conducted based on the law regulating the handling of illegally constructed buildings. The expropriation procedure will not be stopped if the beneficiary of the expropriation and the owner of the real estate agree that the value compensation for the illegally built building shall be determined by applying the rules on determining the market value of the real estate.

#### **Crops/Harvests**

The owner of the real estate has the right to harvest crops and gather fruits that have ripened at the time of the expropriation beneficiary's possession. If the owner of the real estate will not be able to collect crops and collect fruits upon the acquisition of the possession of the beneficiary of expropriation, he has the right to compensation for the crops and fruits according to the usual wholesale price of those crops and fruits at the time of the acquisition of the possession of the beneficiary of the expropriation.



### **Consultation & Participation of PAPs**

Also, national legislation requirements on public consultations and participation for acquisition of privately owned land by the State in the public interest requires only notification to affected landowners. Only in case of expropriation of many properties (more than ten) and several property owners (more than ten), the beneficiary of the expropriation is obliged to submit proof of the announcement of the offer to the property owners. The offer is published in the daily press or in a locally common way of public communication (radio, television, social networks, etc.) and contains an indication of the building that is planned to be built, an indication of the cadastral parcels and cadastral municipalities that are included in the expropriation plan, and the amount of the market fee which is offered for the acquisition of ownership rights, the establishment of easements or the establishment of leases on these properties with payment terms.

According to the provisions of ESS 5 the Borrower should engage with affected communities through the process of stakeholder engagement described in ESS10. Disclosure of relevant information and meaningful participation of affected communities and persons should 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.

### **Measures to overcome gaps**

- Maximum efforts will be made to sign negotiated settlements with PAPs in order to avoid expropriation, and such efforts shall be documented, as defined under the “Key Principles and Commitments” chapter of this RPF.
- As defined under the “Key Principles and Commitments” chapter of this RPF, RAPs will be prepared for all for the locations in Rijeka and/or Velika Gorica, if the socio-economic assessment confirms the occurrence of risks to land acquisition, restrictions on land use and involuntary resettlement. The development of the RAPs will also include a census and socio-economic survey that identify both formal and informal land/property users as well as vulnerable persons/ households and assess all impacts covered under ESS5 and national legislation.
- As defined under the “Key Principles and Commitments” chapter of this RPF, the cut-off date will be communicated at consultation meetings. Adequate notice will be given to PAPs, assuring sufficient waiting time for harvesting period depending on crop types. .
- Compensation will be provided in line with ESS5 requirements, as defined under the “Key Principles and Commitments” chapter for all PAPs regardless of their tenure status.
- Appropriate measures will be applied in line with this RPF.
- Grievance mechanism in line with ESS5 will be established as described under the “Grievance Mechanism” chapter of this RPF.
- Disclosure of information and consultations will be carried in out in line with the requirements of this RPF and consistent with ESS10.

## **8. Key land acquisition and resettlement principles and commitments**

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

### **Compliance with national 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 Croatia, the requirements of ESS5 and this RPF.

#### Avoiding or minimizing resettlement

Land acquisition and involuntary land acquisition will be avoided where feasible, or minimized, exploring all viable alternative project designs, while balancing environmental, social, and financial costs and benefits, and paying particular attention to gender impacts and impacts on the poor and vulnerable. To the extent possible, amicable negotiations and agreements with PAP will be sought to avoid or minimize the extent of involuntary resettlement.

#### Resettlement Action Plans (RAPs)

Where it is not feasible to avoid involuntary land acquisition with potential economic displacement impacts, the procedures and requirements outlined in this RPF will be followed in the preparation and implementation of site-specific RAPs for each of the locations/sites where resettlement is expected. During the preparation of RAPs, a census and socio-economic assessment will be conducted to determine the number of people affected, their average income and standard of living, employment rate and general health condition etc., the physical, social, and economic impacts of the land acquisition or restriction in access, and establish who shall be eligible for compensation and assistance.

#### Cut-off date

The cut-off date for the establishment of eligibility for formal landowners will be defined in line with the national Expropriation Act<sup>2</sup> and, for land issues cases not covered by the Expropriation Act, the cut-off date is the date of the completion of the census of project affected people and inventory of impacts. The cut-off date will be publicly disclosed and announced to potentially affected people through stakeholder engagement activities foreseen in project and subproject SEP

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, but no more than one year starting with the cut-off date. The materials of their dismantled structures will not be confiscated, and they will not pay any fine or suffer any sanction.

#### 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.

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<sup>2</sup> The value of real estate for which expropriation is proposed is expressed in money based on the evaluation study prepared by a permanent court expert for the assessment of real estate or a permanent court appraiser. The court's experts will prepare an evaluation study by applying the Act on the Valuation of Real Estate (OG 18 78/2015), and based on the evaluation study, compensation in money will be expressed as the market value of the real estate at the time of the preparation of the evaluation study.

## 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. Both loss of shelter (physical displacement) and loss of livelihoods (i.e., “economic displacement”) shall be considered 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 and informal owners. In case of real estate lease, compensation to lessees, should be in line with signed contracts, if the related terms of the contract are clear, Compensation will always be affected 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 agencies 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 considered. 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.

## Land Donation

It is essential to make it certain that any land donations are genuinely voluntary, and that the person giving the land does not expect some special benefit or treatment from the Project because of donation.

Wherever land is donated there will be documented evidence that:

- the potential donors have been appropriately informed and consulted about the Project and the choices available to them;
- person donating the land was not subject to pressure to donate and that he/she could freely have opted not to donate;

- potential donors are aware that refusal is an option, and have confirmed in writing their willingness to proceed with the donation;
- the amount of land being donated is minor impacts (as loss of less than 10 percent of an individuals holdings) and will not reduce the donors remaining land area below that required to maintain the donors livelihood at current levels;
- that the donor has clear title over the land.

The transparent record of all consultations and agreements reached will be ensured.

#### Information disclosure and consultations

All affected persons and any new host communities will be informed, meaningfully consulted, and encouraged to participate in the planning, RAP development, resettlement implementation and evaluation. Affected people will be informed about their options and rights pertaining to resettlement, and consulted on, offered choices among, and provided with technically and economically feasible resettlement alternatives. All directly affected persons (owners, occupants, and users) will be visited and explained the land acquisition process and the specific impacts on their land. Access to information and assistance for vulnerable persons/households will be facilitated by the PIU according to the specific needs of such persons, based on case-by-case screening. In addition, the PIU will disclose this RPF and any future RAPs 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 PAP at municipal level.

#### 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.

#### Assistance to vulnerable persons

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

#### Relocation assistance

Relocation assistance should cover the cost of moving furniture and other personal belongings or commercial assets in case of physical resettlement of households and/or organizations and businesses, 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 or alternative location for the activity, as well as other relocation costs such as the cost of transferring utilities to the new address.

### 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.

### Preparation and implementation

#### a) Screening for land acquisition and involuntary resettlement

The Project Implementation Unit (PIU) shall carefully screen the proposed sub-project's locations to assess whether land acquisition and displacement may be required and to what extent and will prepare screening report.

Template checklist for Land Acquisition, Restrictions on Land Use and Involuntary Resettlement screening is provided in Annex 1 of this RPF

The screening reports will be submitted to the World Bank for revision and approval.

If the screening has found that sub-project is affecting PAP, as described in this RPF and ESS5, abbreviated RAP will be prepared based on the principles and guidance provided by this RPF.

#### b) Resettlement Action Plan (RAP) preparation

Abbreviated RAP will be prepared by PIU for sub-projects that have been determined to result in potential involuntary resettlement and/or land acquisition. Minimum elements of a Resettlement Action Plan are provided in the Annex 2 of this RPF.

Activities on the preparation of site-specific RAPs will be conducted in the way to enable significant participation of PAPs, as described in Chapter 11 Disclosure of information, and Public Consultation, Stakeholder engagement activities will start in early phase of RAP preparation and will be conducted thorough whole preparation and implementation phase.

The first draft of abbreviated RAP shall be submitted to the World Bank for review and clearance. After it has been approved, it will be disclosed as described in Chapter 11. Public consultation outcomes shall be documented and reported with the final document of the abbreviated RAP and sent to WB for approval. Upon receiving the World Bank approval, final RAP will be re-disclosed on the Project web-site, and made available throughout the Project implementation.

#### c) Resettlement Action Plan (RAP) implementation

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

### Monitoring and evaluation

The PIU will report to the WB on the implementation of the RAP within regular biannual reports and as requested by the WB. The PIU will monitor and evaluate the implementation of the RAPs, through internal arrangements.

## 9. Compensation and entitlements

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

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

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

This indicates that the persons who have or claim formal rights to land or assets are considered eligible for compensation of the land or assets they lose, as well as other assistance such as moving allowance and support after resettlement, whereas persons who do not have any recognizable legal rights or claims to the land they have been occupying before the acquisition procedure are eligible for resettlement and livelihood assistance. In case an amicable sale-purchase agreement between the expropriation beneficiary and the affected owner is reached, the PIU must make sure that the agreement is in accordance with ESS5 requirements and is properly documented to confirm that such agreement is reached through consensus and no coercion shall be applied. No land acquisition (i.e., start of construction) shall take place prior to the provision of all types of required compensation to affected owners.

## 10. Compensation for different categories of assets

### Compensation for structures and compensation for construction land

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

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

If PAP are offered a replacement structure of smaller size or less favorable characteristics, the owners must be paid the difference in value. If an affected owner decides to take cash compensation in lieu of replacement property or if it is not possible to find appropriate replacement property in the given area, the structures shall be compensated in cash at full replacement cost. This will be the market value of the materials required to build a replacement structure with an area and quality like 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 considered, 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 leveling 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 consider inflation and additional economic tradeoffs such as forgone income in anticipation of land acquisition. Compensation will also be provided for any damages caused by construction activities.

#### Compensation for agricultural land

Compensation for land shall be determined whenever possible in form of another appropriate property which enables the previous owner approximately equal terms of use. Equal terms of use are satisfied if the following criteria are met:

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

In case when the affected owner cannot be offered an equivalent property because no equivalent agricultural land can be found at reasonable distance or the land which is available is not acceptable or 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.

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 valuate both plots, affected and replacement plot, to calculate the difference. Compensation for unviable land refers to agricultural land remaining after partial expropriation of land, which is too small to make cultivation economically profitable. In case where the landowner 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 because 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 landowner. 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 national, regional, or municipal level shall be used by agricultural experts. The calculation of the full replacement cost requires consideration not only of the product of the crop over one year, but also of the cost of re-establishing the plantation (seedlings, soil preparation, fertilizers, others), as well as of the lost income during the period needed to re-establish the crop. In addition, appraisers will assess whether current productivity reflects the true productivity of the land or if it is a function of lack of inputs to the land. If 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. Unlike perennial plantation of fruit trees, where crops can be harvested over a prolonged period, many 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 like the one applied to annual crops, considering 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,

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 authority responsible for expropriation procedure in locating an appropriate replacement property with similar conditions of use in the manner defined above.

Compensation entitlements for different categories of eligible persons and assets are described in the table below.

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY	ENTITLEMENT
<b>HOUSEHOLDS</b>	
Loss of land plot (owner)	Replacement property with similar or same characteristics or cash compensation for land plot at replacement cost for land plot
Loss of residential structure	Replacement property with similar or same characteristics or cash



erected with construction permit on one's own land	compensation at replacement cost + Cash compensation in the amount of replacement 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 replacement 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 replacement 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 If preexisting legal agreements are in place regulating land use these agreements will be enforced as such while social risk around the change in land use will be assessed in consultation with PAPs and specific measures adopted to mitigate those risks as feasible.
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, 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 + Moving allowance

	<p>If preexisting legal agreements are in place regulating land use these agreements will be enforced as such while social risk around the change in land use will be assessed in consultation with PAPs and specific measures adopted to mitigate those risks as feasible.</p>
<p>Temporary land occupation and losses (owner or tenant)</p>	<p>Compensation in the amount of rental obtainable on the market for the remaining rental period if foreseen by the contracts.</p> <p>+</p> <p>Cash compensation for loss of assets (such as structures, crops, plantation)</p> <p>+</p> <p>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>If preexisting legal agreements are in place regulating land use these agreements will be enforced as such while social risk around the change in land use will be assessed in consultation with PAPs and specific measures adopted to mitigate those risks as feasible.</p>
<p>Loss of right of way (owner or tenant)</p>	<p>Compensation for reduced market value of the property and/or restrictions on land use</p> <p>+</p> <p>Compensation for any damages to the property</p> <p>If pre-existing legal agreements are in place regulating land use these agreements will be enforced as such while social risk around the change in land use will be assessed in consultation with PAPs and specific measures adopted to mitigate those risks as feasible.</p>
<p>Loss of residential structure/apartment (lessee)</p>	<p>Timely notification of the lessee in order to honor the notice period (as regulated in the lease agreement)</p> <p>+</p> <p>Payment of resettlement costs and compensation for other costs caused by relocation and cash compensation on a one-time basis (transitional allowance)</p> <p>+</p> <p>Provision of replacement structure/apartment for lease or assistance to identify an alternative location in order to obtain adequate housing with security of tenure.</p> <p>+</p> <p>Transitional assistance suited to the needs of each group of displaced persons</p> <p>If preexisting legal agreements are in place regulating land use these agreements will be enforced as such while social risk around the change in land use will be assessed in consultation with PAPs and specific measures adopted to mitigate those risks as feasible.</p>
<p>Loss of land (informal land)</p>	<p>Cash compensation for loss of assets (crops, irrigation)</p>

possessors)	infrastructure and other upgrades on the land) at replacement cost
Loss of annual crops (formal or informal owner of land)	<p>Right to harvest crops or (if harvesting is not possible) cash compensation for crops at replacement cost</p> <p>If preexisting legal agreements are in place regulating land use these agreements will be enforced as such while social risk around the change in land use will be assessed in consultation with PAPs and specific measures adopted to mitigate those risks as feasible.</p>
Loss of perennial crops / orchards (formal or informal owner of land)	<p>Right to pick fruits, vegetables, etc.</p> <p>+</p> <p>Cash compensation for perennial plants and trees at replacement cost</p> <p>If preexisting legal agreements are in place regulating land use these agreements will be enforced as such while social risk around the change in land use will be assessed in consultation with PAPs and specific measures adopted to mitigate those risks as feasible.</p>
<b>BUSINESSES</b>	
Loss of place of business and loss of business (owner of formal business structure)	<p>Replacement property with similar or same characteristics or cash compensation at replacement cost</p> <p>+</p> <p>Cash compensation at replacement value for any informally erected commercial structures (if they exist on the business location)</p> <p>+</p> <p>Cash compensation for costs of the transfer and reinstallation of the plant, machinery or other equipment</p> <p>+</p> <p>Cash compensation for loss of profit as a result of the project (until the restoration of business activities elsewhere), calculated based on average values of business transactions over the past three years recorded in the responsible tax authority</p> <p>If preexisting legal agreements are in place regulating land use these agreements will be enforced as such while social risk around the change in land use will be assessed in consultation with PAPs and specific measures adopted to mitigate those risks as feasible.</p>
Loss of place of business and loss of business (owner of informal business structure or business structure of temporary character)	<p>Cash compensation at replacement value of commercial structure (as existing on the day of the cut-off date)</p> <p>+</p> <p>Ensuring an adequate replacement location for lease to enable continued business transactions, unless the owner has the same or similar business activity elsewhere</p> <p>+</p> <p>Cash compensation for costs of the transfer and reinstallation of</p>

	<p>the plant, machinery or other equipment</p> <p>+</p> <p>Cash compensation for loss of profit as a result of the project (until the restoration of business activities elsewhere (up to 6 months)), calculated based on average values of business transactions over the past three years recorded in the responsible tax authority</p>
Loss of business in a leased structure (lessee)	<p>Timely notification of the lessee in order to honor the notice period</p> <p>+</p> <p>Compensation for all improvements on premises (such as reconstruction, refurbishment etc.) at replacement cost</p> <p>+</p> <p>Compensation for costs of equipment and inventory relocation and re-installation</p> <p>+</p> <p>Cash compensation on a one-time basis (transitional allowance) to be determined on a case to case basis during social survey by obtaining relevant data on income and livelihood. Transitional allowance shall then be determined commensurate with the loss</p> <p>+</p> <p>Provision of replacement premises for lease or assistance to identify an alternative location, compensation for the remaining rental period if foreseen by the contracts.</p> <p>If preexisting legal agreements are in place regulating land use these agreements will be enforced as such while social risk around the change in land use will be assessed in consultation with PAPs and specific measures adopted to mitigate those risks as feasible.</p> <p>.</p>
Temporary land occupation during construction works (formal or informal business structures)	<p>Affected land and infrastructure shall be restored to the pre-project condition</p> <p>+</p> <p>Cash compensation for temporary occupation of the land in the amount of a lease at market value</p> <p>+</p> <p>Compensation for any lost asset (such as structure, trees, etc.)</p>
Loss of salaries (employees in formal or informal business structures)	<p>In case of temporary interruption of business operations and consequently temporary interruption of work of employees: compensation for loss of salaries to employees, in the amount of the average salary for the last six months (to be paid directly to the employer who shall submit proof of paid salaries in the transition period).</p> <p>In case of termination of business activities as a result of the project: compensation for severance pay to employees in the amount of</p>

	<p>salaries paid in the last six months (to be paid directly to the employees)</p> <p>If preexisting legal agreements are in place regulating land use these agreements will be enforced as such while social risk around the change in land use will be assessed in consultation with PAPs and specific measures adopted to mitigate those risks as feasible.</p>
Temporary losses of business income/rent during the construction works (businesses which are not relocating)	<p>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> <p>If preexisting legal agreements are in place regulating land use these agreements will be enforced as such while social risk around the change in land use will be assessed in consultation with PAPs and specific measures adopted to mitigate those risks as feasible.</p>
Reduced value of business property due to acquisition of part of land on which business assets are located (e.g. parking lot of business) and/or restrictions on land use.	<p>Cash compensation for reduced value for business property, in line with assessment of court experts</p> <p>In case of lease agreement, compensation to lessees is in line with signed contracts, if the related terms of the contract are clear. More time than the minimum stated in the agreement should be granted.</p>
<b>OTHER</b>	
Impacts on vulnerable groups	<p>On top of all rights defined in this matrix, vulnerable PAP will be provided additional assistance including legal assistance and help. Any additional support required for any affected vulnerable households to restore and/or improve their livelihoods will be determined on case-to-case basis during socio-economic survey. These PAP are to be given priority of employment on the project if possible.</p> <p>If pre-existing legal agreements are in place regulating land use these agreements will be enforced as such while social risk around the change in land use will be assessed in consultation with PAPs and specific measures adopted to mitigate those risks as feasible.</p>
Loss of public infrastructure	Public infrastructure will be replaced before destruction by infrastructure of the same or better specifications.
Undefined impact (permanent or temporary loss)	Any undefined impact shall be mitigated in accordance with the principles and objectives of this RPF. In case of discrepancies between national legislation and WB policy in a particular case, the provision more favorable for the affected owner/user shall prevail.

## **11. Disclosure of information and public consultations**

The PIU, together with the representatives of authorities in charge of expropriation or any other land issue, will be responsible for communicating with affected communities and PAPs. All PAP will be timely informed about the Project's scope and contacts for further information inquiries, the available grievance mechanism, and the availability of the publicly available documents, through:

- the website of the implementing agencies
- the website of the involved municipality

Affected households and businesses will be individually visited and informed by the public authority in charge of expropriation about the impacts of the Project on their property, particularly the precise impacts on their property. PAPs will be consulted on an individual basis during the preparation of the RAP and informed on the results of the census and baseline survey, and their opinions on impacts and 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 RAPs which will also include an appendix with the date, list of participants, and minutes of consultation meetings. Access to information for vulnerable groups will be facilitated by the PIU, as appropriate for each person/household according to their specific needs and/or situation. The PIU will disclose this RPF and any future RAPs to municipalities on whose territory land acquisition may take place (in both English and local languages) and assist the municipalities and authorities responsible for expropriation procedures 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 the municipality level. The RAPs will be disclosed on the website of the implementing agencies and will be available for public insight at least 30 days prior to public consultations and sufficient time must be given for submitting comments and questions. The public consultation invitation will be sent to institutional stakeholders and published in national and local newspapers of communities that are known to be, or may be, affected by the Project. Public consultation will be announced in other media, as available (websites, social media, TV and radio stations). Report and comments from public consultation, with a list of participants, will be added to this RAPs and sent to WB for final review and re-disclosed.

## **12. Grievance Redress Mechanism**

The Grievance Redress Mechanism (GRM) must be accessible to a broad range of project stakeholders who are likely to be affected directly or indirectly by the project. The GRM can be used to submit complaints, feedback, queries, suggestions, or compliments related to the overall management and implementation of the project activities. The GRM's functions are based on the principles of transparency, accessibility, inclusiveness, fairness, impartiality, and responsiveness. The GRM procedures will be disclosed and published on the websites of the Implementing agencies, available on the bulletin boards of the municipality where expropriation procedures occur. The PIU will establish a register of grievances and ensure that PAP are fully informed of the grievance mechanism. GRM related obligations will be included in procurement / bidding procedures for acquiring services of technical design, supervising engineer, construction project management, Occupational Health and Safety (OHS) specialist and every other relevant service as well as during construction (contractor and subcontractor obligations).

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The point of contact regarding grievance management is the PIU Social Specialist.

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Once a grievance is received, the PIU Social Specialist, PIU members and, if relevant, staff of the Implementing agencies, will determine whether the complaints warrant further consideration as a relevant grievance. If the matter has standing, grievance information will be registered, reported, and tracked in a grievance log by the PIU Social Specialist. The information recorded in the Grievance log include: name of complainant (if treated as non-confidential), location and address of Complainant (if available), grievance description, level of impact, person responsible for managing the grievance, findings of grievance investigation, description of measures undertaken to settle the grievance, feedback from Complainant on level of satisfaction regarding grievance resolution or non-resolution, date of acknowledgement of receipt and of settlement response, status.

All grievances will be acknowledged within 7 days; and responded to no later than 30 days. If the grievance is deemed as non-relevant (not occurred because of project related activities), the PIU Social Specialist will record the reason and inform the complainant with explanation. A grievance will be considered “resolved” or “closed” when a resolution has been reached, and after corrective measures has been successfully implemented. When a proposed solution is agreed between the Project and the complainant, the time needed to implement it will depend on the nature of the solution. In certain situations, however, the Project may “close” a grievance even if the complainant is not satisfied with the outcome. This could be the case, for example, if the complainant is unable to substantiate a grievance, or it is obviously speculative or fraudulent. The PIU will not dismiss grievances based on a cursory review and close them unless the complainant has been notified and had the opportunity to provide supplementary information or evidence.

### **13. World Bank Grievance Redress Mechanism**

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

For information on how to submit complaints to the WB’s GRS, please visit:

<http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>.

For information on how to submit complaints to the WB’s Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

#### 14. Implementation Responsibilities

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

The PIU will appoint an officer for liaison with involved expropriation authority and PAPs, who will be responsible for communication with and disclosure of information to all involved parties.

RAPs will be in place prior to the initiation of any land acquisition activities. The specific tasks regarding the preparation and implementations of RAPs will be shared between the PIU, implementing agencies and the expropriation authority if relevant.

Task	Responsible party
<b>Preparation of RAPs</b>	
Ensuring the preparation of RAPs	PIU and implementing agencies
Developing municipalities' awareness of the requirements of RPF and RAPs	PIU and implementing agencies
Approval of RAP	WB
<b>Information disclosure and consultations</b>	
Disclosure of information and documents to all PAP and communities, and organization of public meetings	PIU, implementing agencies
Keeping records of consultation activities	PIU
<b>Land acquisition process</b>	
Direct communication with and visits to owners and occupants	PIU, implementing agencies
Negotiations and expropriation activities, prior to construction commencement	PIU, implementing agencies
Provision of assistance to vulnerable persons / households	PIU, implementing agencies
Payment / provision of compensation packages	PIU and/or implementing agencies a or other relevant public entity
<b>Monitoring and reporting</b>	
Monitoring and reporting to WB with respect to land acquisition	PIU
Monitoring and reporting in respect of temporary land occupation carried out after construction commencement	Contractor, Supervising engineer
<b>Receiving and managing grievances</b>	
Grievance processing and management	PIU implementing agencies
Receiving grievances and acknowledging receipt of grievances	PIU implementing agencies
Keeping an integrated registry of grievances	PIU



## 15. Costs

The costs of the land acquisition/resettlement process will be the responsibility of public entities in line with relevant national legislation such as the involved authority responsible for expropriation procedure and/or the implementing agencies.

## 16. Monitoring and Reporting

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

- ascertain whether ESS5 impacts and entitlements are being fully met.
- activities are in progress as per schedule and the timelines are being met.
- ensure that the standards of living of PAP are restored or improved.
- assess whether the compensation / rehabilitation measures are sufficient.
- identify any potential issues; and
- identify methods to mitigate any identified issues.

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

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

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

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

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

**ANNEX I - Template for Land Acquisition, Restrictions on Land Use and Involuntary Resettlement screening**

<i>County:</i>			
<i>Municipality:</i>			
<i>Cadastral municipality:</i>		<i>Cadastral parcel:</i>	
<i>Name of the project</i>			
<i>Name of the sub-project</i>			

<b><i>Does implementation of sub-project require involuntary resettlement (land acquisition, restriction on land use)<sup>3</sup> and/or voluntary land donation?</i></b>	<b>YES <input type="checkbox"/></b>	<b>NO <input type="checkbox"/></b>
<b><i>Non-exhaustive list of criteria for screening:</i></b>		
Has the land required for the sub-project or will the sub-project require the acquisition or expropriation and/or conversion of land (changes in access or use)?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Has the land required for the sub-project or will the sub-project require the physical displacement of informal occupants or land uses and/or landowners or otherwise restrict or deprive them of land use/access?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Has the land required for the sub-project or will the sub-project cause impacts on or changes to land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Has the land required for the sub-project or will the sub-project require economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Has the land required for the sub-project or will sub-project require any disputed ownership, claims, by renters, users, squatters, or encroachers?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Has the land required for the sub-project or will the sub-project include land donation?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Are there conflicts and/or overlapping claims to the land and/or properties?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

<sup>3</sup> 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 “Restrictions on land use” refers to limitations or prohibitions on the use of agricultural, residential, commercial, or other land that is 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. “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. <sup>34</sup>

What is the anticipated scale of livelihoods impacts as a result of expropriation?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
<b>If the land is being voluntarily sold or donated:</b>			
Did/will the land donation or sale take place without threat of expropriation?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
Did the landowner/user provide their informed consent to donate/sell the land?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
Did the landowner/user have the right to refuse the sale/donation or change in land use and access?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
<b><i>If answer is yes to any of screening criteria, please describe land that will be taken/converted/sold/donated (provide description of current use of the land, status/information on ownership relevant for the sub-project and impact of sub-project)</i></b>			
Area affected	Total landholding area	Ratio of land affected to total land held	Map
<i>Describe the type of land use on affected area</i>			
Describe any other assets that will be lost or must be removed to implement the sub-project			
Value of land and improvements to land (based on preliminary assessment of user / owner)			
Description of pre-existing legal agreements in place regulating land use that shall be enforced as such. Description of findings from the assessment of social risk around the change in land use performed in consultation with PAPs. Description of specific and feasible measures adopted to mitigate those risks.			
Affected parties' willingness to give up occupation of the land and/or properties			
Summarize relevant concerns and attach minutes of consultations)			

Enclose all relevant official documentation (e.g. contracts, court decisions, extracts from land cadaster, etc.).

Enclose, minutes of meeting/consultations with potentially affected stakeholders.

Note: the above is template with minimum requirements and information's to be collected. The template can be amended and / or new questions and information's may be added to screen thoroughly potential risks and determine the need for RAPs.

## ANNEX II - 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	Identification of: <ul style="list-style-type: none"> <li>- project components or activities that give rise to displacement, explaining why the selected land must be acquired for use within the timeframe of the project.</li> <li>- zone of impact of such components or activities.</li> <li>- scope and scale of land acquisition and impacts on structures and other fixed assets.</li> <li>- any project-imposed restrictions on use of, or access to, land or natural resources.</li> <li>- alternatives considered to avoid or minimize displacement and why those were rejected; and</li> <li>- mechanisms established to minimize displacement, to the extent possible, during project implementation.</li> </ul>
Objectives	The main objectives of the resettlement program.
Census survey and baseline socioeconomic studies	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. The census survey also serves other essential functions: <ul style="list-style-type: none"> <li>- identifying characteristics of displaced households, including a description of production systems, labor, and household organization; and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population.</li> <li>- information on vulnerable groups or persons for whom special provisions may have to be made.</li> <li>- identifying public or community infrastructure, property or services that may be affected.</li> <li>- providing a basis for the design of, and budgeting for, the resettlement program.</li> <li>- in conjunction with establishment of a cutoff date, providing a basis for excluding ineligible people from compensation and resettlement assistance.</li> <li>- establishing baseline conditions for monitoring and evaluation purposes.</li> <li>- If deemed relevant, additional studies on the following subjects may be required:               <ul style="list-style-type: none"> <li>o land tenure and transfer systems, including an inventory of</li> </ul> </li> </ul>

	<p>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.</p> <ul style="list-style-type: none"> <li>○ the patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project.</li> <li>○ social and cultural characteristics of displaced communities, including a description of formal and informal institutions (e.g., community organizations, ritual groups, nongovernmental organizations (NGOs)) that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.</li> </ul>
Legal framework	<p>The findings of an analysis of the legal framework, covering:</p> <ul style="list-style-type: none"> <li>- scope of the power of compulsory acquisition and imposition of land use restriction and the nature of compensation associated with it, in terms of both the valuation methodology and the timing of payment.</li> <li>- applicable legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process and the normal timeframe for such procedures, and any available grievance redress mechanisms that may be relevant to the project.</li> <li>- laws and regulations relating to the agencies responsible for implementing resettlement activities.</li> <li>- gaps, if any, between local laws and practices covering compulsory acquisition, imposition of land use restrictions and provision of resettlement measures and ESS5, and the mechanisms to bridge such gaps.</li> </ul>
Institutional framework	<p>The findings of an analysis of the institutional framework covering:</p> <ul style="list-style-type: none"> <li>- identification of agencies responsible for resettlement activities and NGOs/CSOs that may have a role in project implementation, including providing support for displaced persons.</li> <li>- assessment of the institutional capacity of such agencies and NGOs/CSOs;</li> <li>- any steps that are proposed to enhance the institutional capacity of agencies and NGOs/CSOs responsible for resettlement implementation.</li> </ul>
Eligibility	<p>Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cutoff dates.</p>
Valuation of and compensation for losses	<p>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 national law and such supplementary measures as are necessary to achieve replacement cost for them.</p>

Community participation	<p>Involvement of displaced persons (including host communities, where relevant):</p> <ul style="list-style-type: none"> <li>- description of the strategy for consultation with, and participation of, displaced persons in the design and implementation of the resettlement activities.</li> <li>- summary of the views expressed and how these views were considered in preparing the resettlement plan.</li> <li>- review of the resettlement alternatives presented, and the choices made by displaced persons regarding options available to them.</li> <li>- institutionalized arrangements by which displaced people can communicate their concerns to project authorities throughout planning and implementation, and measures to ensure that such vulnerable groups as indigenous people, ethnic minorities, the landless, and women are adequately represented.</li> </ul>
Implementation schedule	An implementation schedule providing anticipated dates for displacement, and estimated initiation and completion dates for all resettlement plan activities. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.
Costs and budget	Tables showing categorized cost estimates for all resettlement activities, including allowances for inflation, population growth, and other contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds, and funding for resettlement, if any, in areas outside the jurisdiction of the implementing agencies.
Grievance redress mechanism	The plan describes affordable and accessible procedures for third-party settlement of disputes arising from displacement or resettlement; such grievance mechanisms should consider 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	<p>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.</p>
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"> <li>- 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.</li> <li>- 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.</li> <li>- any measures necessary to prevent land speculation or influx of ineligible persons at the selected sites.</li> <li>- procedures for physical relocation under the project, including timetables for site preparation and transfer; and</li> <li>- 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</li> </ul>
Housing, infrastructure, and social services	<p>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.</p>
Environmental protection and management	<p>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).</p>
Consultation on relocation arrangements	<p>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</p>

	or with preexisting communities or kinship groups, to sustaining existing patterns of group organization, and for relocation of, or retaining access to, cultural property (e.g., places of worship, pilgrimage centers, cemeteries).
Integration with host populations	Measures to mitigate the impact of planned relocation sites on any host communities, including: <ul style="list-style-type: none"> <li>- consultations with host communities and local governments.</li> <li>- arrangements for prompt tendering of any payment due the hosts for land or other assets provided in support of planned relocation sites;</li> <li>- arrangements for identifying and addressing any conflict that may arise between those resettled and host communities; and</li> <li>- 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.</li> </ul>

**Additional planning requirements where resettlement involves economic displacement.**

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

ELEMENT	EXPLANATION
Direct land replacement	For those with agricultural livelihoods, the resettlement plan provides for an option to receive replacement land of equivalent productive value or demonstrates that sufficient land of equivalent value is unavailable. Where replacement land is available, the plan describes methods and timing for its allocation to displaced persons.
Loss of access to land or resources	For those whose livelihood is affected by loss of land or resource use or access, including common property resources, the resettlement plan describes means to obtain substitutes or alternative resources, or otherwise provides support for alternative livelihoods.
Support for alternative livelihoods	For all other categories of economically displaced persons, the resettlement plan describes feasible arrangements for obtaining employment or for establishing a business, including provision of relevant supplemental assistance including skills training, credit, licenses or permits, or specialized equipment. As warranted, livelihood planning provides special assistance to women, minorities or vulnerable groups who may be disadvantaged in securing alternative livelihoods.
Consideration of economic development opportunities	The resettlement plan identifies and assesses any feasible opportunities to promote improved livelihoods because of resettlement processes. This may include, for example, preferential project employment arrangements, support for development of specialized products <sup>40</sup> or



	<p>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.</p>
<p>Transitional support</p>	<p>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.</p>