

Land Aquisition Plan (LAP)
for VisokoWater Supply Project

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1 Introduction

The objective of the LAP is to ensure that all individuals / households affected by land acquisition for the Project are compensated for their land and assets, which will enable them to attain a standard of living similar to and, if possible, better than the existing one. The LAP has been developed to prevent and mitigate the negative impacts of land acquisition and displacement and to set out the entitlements of the different categories of affected individuals / households.

2 Project Land Acquisition

The Project foresees only land acquisition, without the physical resettlement of households or businesses. Land acquisition will mostly be so-called “incomplete expropriation” for the purpose of placement of the pipelines for all 3 planned water supply sub-systems, even though several cases of “complete expropriation” are foreseen for the purpose of building permanent structures such as pumping stations and water tanks.

3 Project description

The European Bank for Reconstruction and Development (“EBRD”) is considering providing finance to the “Public Utility Enterprise Visoko d.o.o. Visoko” (the “Company”), fully owned by the Municipality of Visoko (the “Municipality”), for the Visoko Water Supply Project (the “Project”) involving the expansion of the water supply system and repair of the existing network in the Municipality. This is expected to provide environmental and health benefits compared to the existing situation by improving the quality and reliability of drinking water supply and reducing water losses.

The Project’s priority investment programme is estimated at around EUR 6 million where EBRD is planning to provide a loan up to EUR 4.5 million and would be co-financed by a capital grant of EUR 1.5 million from an international donor.

The existing drinking water supply system provides water for 51% of the Municipality. The remaining parts of the Municipality have their own local drinking water supply systems connected to number of individual springs with small yields.

The drinking water supply system consists of: (a) Vrutak water spring, (b) 2 reservoirs, Pertac I with pumping station and Pertac II, (c) 3 km long Main distribution pipeline Vrutak-Pertac I, and (d) 50 km long primary and secondary pipeline. The current groundwater abstraction volumes are between 60 and 70 l/s. The Vrutak spring has a significant yield that can be used for

additional drinking water supply. The majority of the drinking water supply system is 30-60 years old, experiencing significant water losses (around 47%) and requiring frequent maintenance due to breaks in pipes (part of which are made of asbestos) and equipment failure.

The proposed Project involves the reconstruction and reparation of water distribution system in the urban area of the Municipality and the construction of a new drinking water supply system in rural areas including the construction of new pumping stations, reservoirs and distributive pipelines (Table 1). The Project is expected to provide environmental and health benefits compared to the existing situation by improving the quality and reliability of drinking water supply, and reducing water losses.

For expansion of the water supply network, the Company will need to increase the amount of abstracted groundwater at Vrutak spring up to 100 l/s.

Table 1: Components of the New Water Supply Sub-Systems

Sub-system	Settlements covered	Total population served	Components of the system	Water source
Gračanica	Kula Banjer, Vratnica, Arnautovići, Milići, Uvorići, Tramošnjik, Loznik, Veliko Čajno and Malo Čajno	4000	• Pumping station Kula Banjer (2 booster pumps, each having capacity of $Q = 9.60$ l/s and $H = 77.90$ mVS) • Reservoir Kula Banjer (2×250 m³) • Pipeline (6,374.63 m)	Vrutak spring (via Pertac reservoir)
Moštre	Prijeko, Čekrekčije, Biskupići, Donja Zimča, Gornja Zimča, Koložići, Orašac, Liješeva	6000	• Pumping station Dubrave (2 booster pumps, each having capacity of $Q = 13.60$ l/s and $H = 79.70$ mVS) • Reservoir Dubrave (2×350 m³) • Pipeline (18,326.94 m)	Vrutak spring (via Pertac reservoir)
Poriječani	Poriječani, Podbrdo, Poklečići, Prhovo, Brdo, Grđevac, Podvinje	1810	• Additional works on existing spring water intake structure located in Vodice - Petkovljača Domaljevac • Pumping station Bunar (5 vertical pumps, total capacity $Q = 6,0$ l/s) • Main reservoir Poriječani (100 m³) • Distributive reservoirs: Prhovo (6 m³), Skropanovići (10 m³), Grđevac (10 m³), Zagornica (10 m³), Poklečići (6 m³), Podvilje	Small forest springs in total capacity of 2.0 l/s captured by existing water intake structure consisting

Sub-system	Settlements covered	Total population served	Components of the system	Water source
			(20 m ³), and Gradina (10 m ³) • Pipeline (10,564.63 m)	of 416 m of drainage system and 3 m deep collection well.

The layout of components of existing and new water supply system is provided in Figure 1 below.

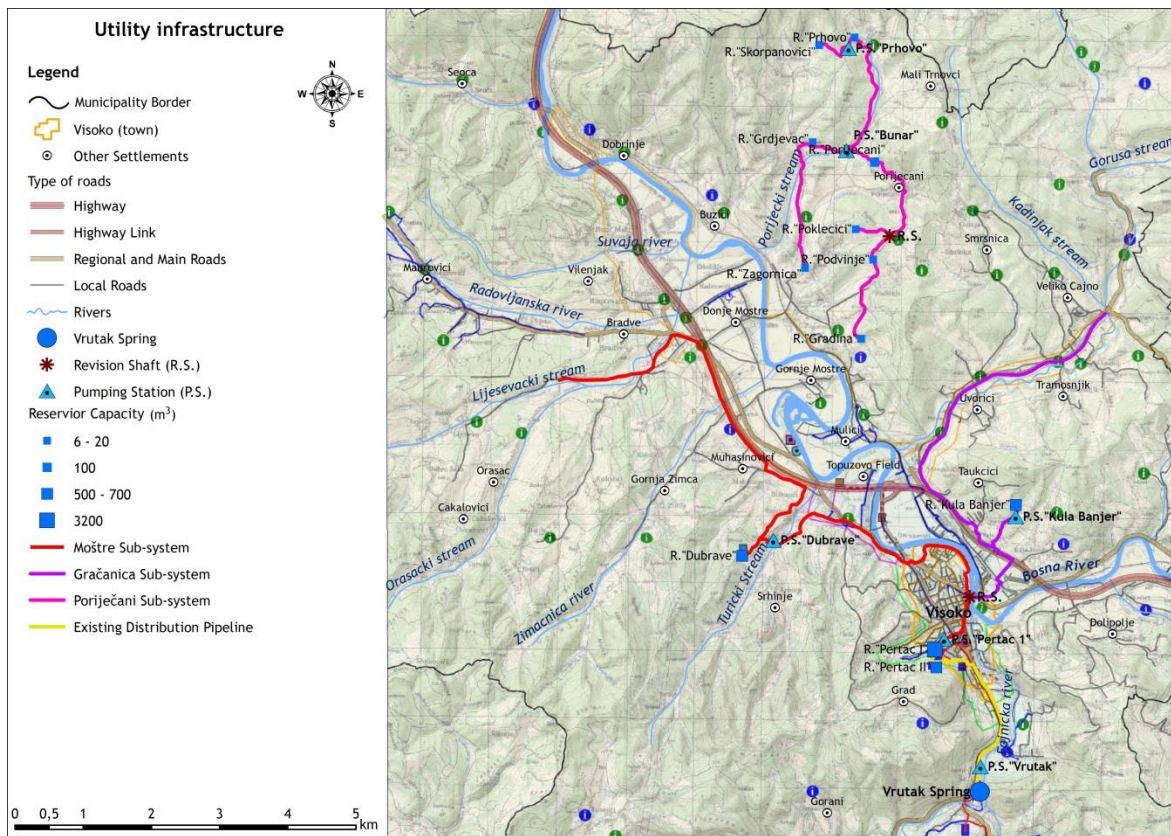


Figure 1: Components of Existing and Future Water Supply System

4 Project Land Acquisition

4.1 Land previously acquired

Wherever possible, the route was redirected so the works have as little impact on the population as possible, living conditions and revenue reduction (in terms of access to business facilities, retailers, and businesses).

Purchase of land was done by direct agreement with landowners based on notarial contracts. The municipality is investor and a buyer in this case. The investor (municipality) paid the purchase price, paid the costs of notarial contract processing and real estate sales tax. Major part of the water supply network is on municipal land.

Construction of facilities is planned at the municipal plots where there were technical possibilities

There was no forced resettlement. Land will be able to use the same as before water supply.

In case damage, it will be compensated in accordance with the provisions of the expropriation law.

4.2 Land in the process of acquisition

So far, there have been no objections or comments from non-governmental organizations that are active in the municipality of Visoko. To date, minority groups also did not have any problems or complaints.

Current works are mainly carried out on parcels that were municipal property. In the area of **MZ - Čekrekčije**: a reservoir was built on municipal land, while the pumping station was built on private land. During the negotiation and purchase of plots for the mentioned pumping station there were no problems or complaints, by the owner of the parcel. The process is finished without any problems.

MZ-Kula Banjer: - All activities were carried out on municipal land, so there was no problem regarding space occupancy.

MZ-Veliko Čajno - the purchase process has started for the reservoir. Meanwhile there was a change of opinion of the salesman. He first agreed to sell, but later gave up.

Land expropriation study for MZ Gračanica and Moštra was created.

There was no digging on parcels under agricultural crops so there was no damage.

The environmental and social impacts that are likely to occur during construction and operation phase of the Project are elaborated in Table 2. These impacts are mostly of a temporary character.

Table 2: Analysis of Land Acquisition Impacts

Issue	Phase/ Duration/ Significance of the Impact	Impact
Soil Quality	Construction/ Permanent/ Moderate	The soil will be removed, compressed and levelled. It will cause loss of aeration in the soil and loss of subterranean living organisms in the surface level of the soil. The soil quality might also be under impact from spilled hazardous substances such as oils from machinery.
Land Use	Construction/ Permanent/ Moderate	• Temporary changes in land use – e.g. from agricultural to construction land. • Permanent deforestation in terms of cutting, clearing, and removal of forest or trees where land is converted permanently in construction land (new reservoirs and pumping stations) in all locations of 8 reservoirs of Poriječani sub-system, Kula Banjer and Dubrave.
Road Safety and Local Traffic	Construction/ Temporary/ Minor	Occurrence of trenches and slopes may endanger pedestrian and road safety, particularly in urban areas of Visoko where the local transport is more dense compared to other parts of Visoko (e.g. Poriječani Sub-system). Traffic congestion and obstructions on road are likely to be experienced during the delivery of construction material to sites and collection of waste from construction activities.
	Maintenance/ Temporary/ Minor	Certain maintenance activities, e.g. repairs in cases of pipeline ruptures are likely to lead to slowing down of the traffic and may lead to traffic congestions. Occurrence of trenches and slopes as well as open manholes are likely to be experienced during reconstruction and maintenance activities,

Issue	Phase/ Duration/ Significance of the Impact	Impact
Land Acquisition	Pre-construction/ Permanent/ Major	The Project foresees only land acquisition, without the physical resettlement of households or businesses, solely for the construction of the 3 new sub-systems (the reconstruction of the existing pipeline is not expected to require any land acquisition). The construction of the sub-system Gračanica will require the incomplete acquisition¹ of 5 privately owned land plots, and the complete acquisition² of 3 privately owned plots. The construction of the sub-system Moštre will require the acquisition of 14 privately owned plots, of which several will involve complete acquisition (exact number not available at this stage of the Project). The scope of land acquisition needed for the construction of the sub-system Poriječani is not defined at this stage of the Project, but it is expected that complete acquisition of several land plots will be required for the purpose of construction of the permanent infrastructure.
Restrictions on Land Use and Damage to Private Property	Constructio/ Temporary/ Minorn	It may be necessary to temporarily occupy several privately owned land plots for the purpose of placement of staff, machines and material. Construction activities may potentially cause damage to land plots, fences and railings.

¹ According to the Law on Expropriation of FBiH, *incomplete expropriation* provides the beneficiary with usufruct rights on the land and structures, as well as the lease of the land for a definite period of time. At the end of the lease, usufruct rights over land are returned to the previous owner.

² According to the Law on Expropriation of FBiH, *complete expropriation* allows the expropriation beneficiary to obtain legal title over the expropriated property, while the rights of the previous owner over the real property as well as other rights over that real property cease to exist.

5 Institutional and legal framework

5.1 FBiH Laws and Regulations on Land Acquisition and Compensation

The current Expropriation Law (Official Gazette of FBiH No. 70/07 and No. 36/10) of the FBiH has been in force since 2007. The Expropriation Law regulates the conditions for expropriation, establishing public interest, the procedure for expropriation of real property¹, and the compensation to be paid for expropriated property. It also addresses grievances and handling disputes, and - to a limited extent - eligibility for compensation. This section discusses key legislative issues of the FBiH relating to expropriation, land acquisition and resettlement.

5.2 Public Interest

Property can only be expropriated upon the receipt of a Decree on Establishing Public Interest from a relevant authority or less frequently by enacting a dedicated law. Public interest can be achieved for projects such as construction of transport infrastructure, economic, utility, administrative, defence, health, educational and cultural facilities. Expropriation may be carried out for the needs of FBiH, cantons, cities, municipalities, public enterprises and public institutions, unless otherwise prevented by the Law.

The relevant authority is obliged to issue a decision within 60 days upon receiving a proposal to determine that a project is in the public interest.

5.3 Expropriation Law

The expropriation procedure comprises the following steps (see section 4 for further detail):

- ✓ Upon the establishment of Public Interest, the expropriation beneficiary is obliged to invite affected property owners to negotiate a prior amicable sale-purchase agreement and to attempt to reach an agreement with the interested owners
- ✓ If negotiations fail the expropriation beneficiary will submit a proposal for expropriation to the relevant Municipal Administration for Ownership Affairs ("Municipal Administration")
- ✓ The Municipal Administration is obliged to notify the owner of the property of the submitted proposal for expropriation
- ✓ The expropriation beneficiary will request that the expropriation notice is entered into the land register and other relevant public registers
- ✓ The Municipal Administration will invite the owner of the property to a hearing to determine the expropriation fact
- ✓ The Municipal Administration will issue a Decision on Expropriation

- ✓ When the Decision on Expropriation becomes enforceable, the Municipal Administration is obliged to hold a hearing to determine the compensation for the expropriated property through an agreement with the beneficiary and the land owner
- ✓ If no agreement on compensation is reached within two months of the validity of the Decision on Expropriation, the Municipal Administration submits the valid Decision together with other relevant documents to the competent Court
- ✓ Formal transfer of legal title in the land register is carried out on the basis of a valid Decision on Expropriation and proof of payment of compensation or proof that the owner acquired ownership of a replacement real property.

5.4 Partially Affected Properties

Article 11 of the Expropriation Law states that an owner whose property is only partially affected can request the expropriation of the remaining (non-affected) property, if it is determined an economic interest would be lost in using the remaining part of the property, or if using the remaining part of the property will become impossible or significantly more difficult. Such owners must be informed about this entitlement by the official that is managing the expropriation process.

5.5 Compensation

According to Article 31 of the Expropriation Law, compensation, in the form of cash compensation or replacement property, must be provided to land owners prior to the formal transfer of ownership of the expropriated property unless a specific agreement is made between the involved parties. All compensation costs will be borne by the expropriation beneficiary. The Expropriation Law states that compensation should be provided at market value (Article 12). The Law sets out in detail how compensation must be determined for buildings, orchards and vineyards, forest land and timber, agricultural, construction and urban land.

Article 45 of the Expropriation Law states that expropriation of informal structures entails no compensation and that the owners of such structures must remove them within a timeframe agreed upon with the municipal department in charge of expropriation. Otherwise they will be required to pay the costs incurred in removing the structures.

The personal and family circumstances of the property owners, as well as their reliance on the land for their livelihood, is taken into account when determining the compensation entitlements (Article 47). This Article addresses vulnerable households and livelihood restoration by allowing for compensation beyond the market value of the lost asset, based on a case-by-case assessment of personal and familial circumstances of the affected owner

5.6 Other Related Legislation

5.6.1 FBiH Law on Legal Ownership Relations

The Law on Legal Ownership Relations (Official Gazette of FBiH, No. 6/98) adopted in 1998 and amended in 2003 regulates the conditions and manner of acquiring, using, protecting and terminating ownership rights, usufruct rights, lien rights, possession and ownership rights of foreign nationals. The Law emphasizes that ownership rights may only be limited or taken away in public interest, stating that the owner is entitled to full compensation in such cases (Article 6).

Article 25 states that a person creating a new structure using one's own materials becomes entitled to own the structure. Article 27 states that the person who builds a structure on land over which another person has formal rights is entitled to acquire the land on which the structure has been built if he/she did not and could not have known this fact, while the land owner did not oppose to the construction. Furthermore, Article 32 states that the occupant acquires right of ownership of real property which is in the ownership of another person, upon 10 years of conscientious and legal occupancy, or upon 20 years of conscientious occupancy.

5.6.2 Law on Construction Land of FBiH

The Law on Construction Land of FBiH (Official Gazette of FBiH, No. 67/05) was adopted in 2005. Article 61 of the law allows for the legalization of informally constructed structures on land that is allocated as construction land under state ownership on which a structure has been built. This article enables the subsequent issuing of a permit for construction by the Municipal Council in accordance with the Law on Spatial Planning.

5.6.3 Law on Obligations of FBiH

In relation to tenants in the affected project area, their status is regulated by the Law on Obligations of FBiH ("Official Gazette of FBiH", No. 2/92, 13/93 and 13/94). According to this law, the notification period may not be less than eight days before the tenant has to vacate the residential structure/apartment unless otherwise specified by the tenancy agreement.

Gaps between Bosnia and Herzegovinian Laws and EBRD Performance Requirements

Expropriation procedures under FBiH legislation primarily define eligibility for compensation by discussing registered or unregistered land plots and residential or non-residential structures with or without building permits. In comparison, EBRD PR5 considers three types of displaced persons (rather than the legality of asset ownership). These include people who:

- ✓ Have formal legal rights to the land (including customary and traditional rights recognized under national laws)
- ✓ Do not have formal legal rights to land at the time of the census, but who have a claim to land that is recognized or recognizable under the national laws
- ✓ Have no recognisable legal right or claim to the land they occupy.

Summary of EBRD Requirements

In summary, the EBRD requirements of PR 5 “Land acquisition, involuntary resettlement and economic displacement” has the following objectives:

- to mitigate adverse social and economic impacts from land acquisition by:
 - a. providing compensation for loss of assets at replacement cost;5 and
 - b. ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected
- to improve or, at a minimum, restore the livelihoods and standards of living of displaced persons, including those who have no legally recognisable rights or claims to the land, to pre-project levels
- to establish a grievance mechanism to receive and address in a timely fashion specific concerns about compensation and relocation that are raised by displaced persons, including a recourse mechanism designed to resolve disputes in an impartial manner.

Impacts in Relation to Land Acquisition

Impacts associated with land acquisition for the Project are described and analysed in detail in other Project ESAAR- Environmental and Social Audit and Assessment Report, Chapter 7. Identification and characterization of impacts

This Chapter provides a review of the likely effects of the Project on the physical, biological and socio-economic environment, i.e. identification and characterisation of potential E&S impacts, including beneficial and adverse impacts. The review has been structured to include the existing operations and all the relevant stages of the Project’s life, i.e. construction, operation and maintenance, closure and decommissioning, and residual E&S impacts, and the impacts have been considered at local, national and regional/global levels.

In areas where reservoirs and pumping stations are being positioned, the soil will be removed, compressed and levelled. It will cause loss of aeration in the soil and loss of subterranean living organisms in the surface level of the soil.

6 Entitlement Matrix

If during the process of socioeconomic survey is found that there are households that will lose income due to temporary or permanent land loss entitlement matrix is then designed to establish the cost of losses. These losses may be incurred to land owners, renters and squatters. All the losses are listed in the entitlement matrix and the costs are presented in the local currency and can be paid through bank account or cash payment.

Losses may also be incurred through the loss of agricultural land, and therefore loss of crops, perennial crops, orchards that is a source of income.. Losses due to right of way or leave way should also be calculated and appropriately compensated.

The price of land is determined and estimated Market value. So far, there have been no unsatisfied citizens. Municipal offices have a complaint committee. All comments were positive and they were received at the address of the administration body, JKP Visoko. All questions can be asked via media and webpage www.visoko.gov.ba i www.jkpvisoko.ba

Description of affected people	Number of affected properties / households / amount of affected land	Entitlement
Project Affected People Individuals, households and businesses (owners or users) who will be directly affected by land acquisition and/or land use restrictions (permanent/ temporary) pertaining to Project activities	There are no persons whose crops may be affected by construction in this Phase 1. None identified at the time of developing the LAP	Land acquisition of private land plots will need to be carried out for needs of the Project, without physical resettlement of households or businesses, solely for the construction of the 3 new sub-systems (the reconstruction of the existing pipeline is not expected to require any land acquisition).
Local residents and businesses in the vicinity of the Project area Local communities, residents and businesses located in the proximity of the planned construction/reconstruction works (access restrictions and/or disturbances)	During construction works, residents and businesses located in the vicinity of the planned construction works may experience restricted access and disturbances related to increased noise due to machinery operation, increased dust, waste disposal, potential disruptions to water and electricity supply, etc., in particular in highly urbanised areas (mostly relevant for the planned sub-system Moštre placed in the Municipality centre). The works in the town centre are not expected to last longer than one day in fragments, in order to enable continuous access to public facilities in particular.	
Affected vulnerable groups People who, by virtue of gender identity, sexual orientation, religion, ethnicity, indigenous status, age, disability, economic disadvantage or social status may be more adversely affected by Project impacts than	None identified at the time of developing the LAP During Project preparation, the Roma population was identified as a minority group living in the Project area. The NGO Roma Youth Initiative “Budi mi prijatelj” reports that there are 2,500-3,000 Roma	

others and who may be limited in their ability to claim or take advantage of project benefits, such as: • minority groups, • persons/households unable to afford to pay the water supply tariffs • the elderly and ill, people with special needs	living in the Municipality. The exact number of the Roma population inhabiting the Project is still not known.	
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7 Description of Mitigation Measures and Entitlements

7.1 Categories of affected people

The RAP designed to mitigate the negative impacts of displacement, identify potential development benefits and establish the entitlements of all categories of affected persons (including host communities), with particular attention paid to the needs of the poor and the vulnerable to document all transactions to acquire land, rights, as well as compensation measures and relocation activities establish procedures to monitor and evaluate the implementation of resettlement plans and take corrective action as necessary.

Categories of affected people are Individuals, households and businesses (owners or users) who will be directly affected by land acquisition and/or land use restrictions (permanent/temporary) pertaining to Project activities

People who, by virtue of gender identity, sexual orientation, religion, ethnicity, indigenous status, age, disability, economic disadvantage or social status may be more adversely affected by Project impacts than others and who may be limited in their ability to claim or take advantage of project benefits, such as:

- ✓ minority groups,
- ✓ persons/households unable to afford to pay the water supply tariffs
- ✓ the elderly and ill, single headed households
- ✓ single parent households
- ✓ beneficiaries of social welfare
- ✓ Informal users of land who have no sources of income or assets of their own, etc.
- ✓ people with special needs

For example, certain groups may need legal or other assistance to be able to receive compensation; some vulnerable households may need additional services from social workers in which case Social Expert will coordinate with local Centres for Social Welfare or other service providers, etc.

7.2 Valuation of affected assets and replacement cost

There are several options when restoring loss of income due to resettlement. In each individual case Investor will in cooperation with the land owner find the best possible method to alleviate adverse impact.

If the documentation is in order a decision on expropriation can be passed. A hearing must be held by the municipal property administration to discuss and determine the level of compensation for each affected owner. In case an agreement on the level of compensation is not reached, the case is referred to the courts to decide. The expropriation beneficiary proceeds with the payment of compensation or provision of replacement properties.

All persons who have formal legal rights on land and structures, as registered by the Cadastre and/or Land registries, are entitled to compensation. In addition, owners of informal structures that could have been legalized at the time when they were constructed are entitled to cash compensation corresponding to the construction value of the structure.

Replacement value

Replacement value is calculated as the market value of assets plus any transaction costs associated with restoring such assets (e.g. transfer taxes, registration costs). The Law on expropriation specifies that the owner of the affected property is entitled to just compensation, defined as the market value of a similar property, which also includes any lost profit incurred during resettlement as well as resettlement costs. The costs are born by the beneficiary of the expropriation.

Replacement value of non-residential structures corresponds to the cost of rebuilding a structure of similar characteristics in another location, including materials, costs of labour and any transaction costs. Replacement value of land corresponds to the market value of land with similar characteristics in the vicinity of the affected land and any transaction costs.

Cash compensation and assessment of properties and assets

For temporary losses, cash compensation is usually the most appropriate method of compensation. Compensation contracts are to be signed for a certain time period (depending on the planned length of activities for which land is needed), with possibility of renewal. Compensation payments are to be made in advance, most often annually for longer term contracts. At the end of the lease period the contractors will be required to undertake measures to fully reinstate the land to its original state, so that PAPs can continue using it in the same way as before the lease.

Law on expropriation also stipulates compensation for the loss of income due to loss of land. The law foresees cash or in kind compensation for land (including agricultural land, orchards and vineyards, crops, forest land and timber) and business structures / physical assets, for those who have formal legal rights. Those who have formal legal rights are also entitled to compensation for lost profit from the day they lose access to the expropriated property to the day they receive replacement property or cash compensation.

Upon signing a contract and prior to land acquisition, the compensation amount is to be paid to the individual entitled to the compensation.

7.3 Livelihood restoration measures

Livelihood restoration measures will be implemented in handling land acquisition. Livelihood Restoration Measures has been prepared in accordance with the legislation of FBiH and the EBRD PR.

LRM establishes the principles and procedures for provision of compensation for affected properties and management of all economic resettlement, with the aim of ensuring that project affected people (PAPs) and households are able to improve or at least restore their livelihoods

In case the implementation of the Project causes economic displacement of project affected people, defined as loss of assets or access to assets that leads to loss of income sources or means of livelihood, alongside compensation for affected assets. The measures may include:

- ✓ compensation for the cost of re-establishing business activities elsewhere
- ✓ provision of any transitional support
- ✓ compensation for or assistance with transport of equipment or machinery
- ✓ training, skill development, access to job opportunities, etc.

Undertaking these measures will enable owners / users of land to continue using it in the same way they used it before the implementation of the Project.

Livelihood restoration assistance

In case the implementation of the Project causes economic displacement of PAPs, which is loss of assets or access to assets that leads to loss of income or means of livelihood, Investor will compensate for affected assets and will also implement livelihood restoration measures.

All land temporarily acquired for the Project will have to be fully reinstated once the contractual period for land use has ended. This means that all sites will be cleared of waste and that all equipment will be removed. It may also include top soil conservation in some areas to preserve the quality of the affected land, which will be the responsibility of awarded contractors and monitored by Investor. Undertaking these measures will enable land owners to continue using it in the same way they used it before the implementation of the Project.

Assistance for vulnerable groups

Specific measures to assist any vulnerable groups identified through the socio economic surveys will be defined in accordance with their needs. For example, certain groups may need legal or other assistance to restore their livelihoods, such as assistance to improve their businesses, some vulnerable households may need additional services from social workers, etc.

Eligibility criteria for compensation

Eligibility criteria for compensation are established by the Law on Expropriation. All individuals / households occupying Project affected land at the time of the census (owners and users, both formal and informal) are entitled to compensation and/or livelihood restoration assistance as outlined in the Entitlements Matrix below, if their demands for compensation are documented. The date of the completion of the census is considered the cut-off date, meaning that any individuals / households that use/occupy Project affected land after this date will not be entitled to compensation and/or livelihood restoration assistance. Subject of compensation may be:

- Household income,
- Source of income (agriculture, employment, commerce, welfare, remittances, etc.) and proportion of household income represented by each source

Agricultural information (types of crops cultivated for market, types of crops cultivated for subsistence, amount of land used for each type of crop, animals raised for market, animals raised for subsistence).The Investor will establish and disclose the criteria by which affected people will be considered eligible for compensation and other resettlement assistance. This procedure should include provisions for consultations with affected persons, households, and community leaders, local authorities, and, as appropriate, NGOs. Individual Livelihood Restoration Recommendations will be prepared by Investor once details of the census on the affected people and their land are available, to address the specific conditions, characteristics, and needs of the particular people and households, affected by resettlement. All recommendations will be consistent with the objectives, principles, and processes of LRP.

8 Grievance Mechanism

A Project Implementation Unit (PIU) has been established for the Project, consisting of representatives of the Municipality, the Company, the Municipal Mayor, as well as financial and legal experts, responsible for the implementation of the SEP during the entire Project cycle, and in charge of communicating with the communities and consultations with PAP as well as representatives of Local Community Offices (LCO).

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

Any comments or concerns can be brought to the attention of the PIU or the Contractor verbally (personally or by telephone) or in writing by filling in the grievance form (by personal delivery, post, fax or e-mail to the address/number given below), without any costs incurred to the complainant. Grievances may also be submitted anonymously.

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

9 Monitoring and reporting

Environmental and Social Expert will regularly monitor land acquisition and the implementation of the LAP against the indicators listed in the table below. A land acquisition database on the individuals / households whose properties have been affected by the Project, compensation and livelihood restoration measures that have been implemented will be developed and regularly updated. All information on individuals / families, their properties and their compensation payments will be kept confidential.

Independent third party compliance monitoring will be carried out to check whether the implementation of compensation and livelihood restoration is in compliance with EBRD's Policy.

In addition, the PIU will submit Annual Environmental and Social Reports to EBRD summarising environmental and social impacts, health and safety performance, disclosure and consultation performance and implementation of the external grievance mechanism. Summaries of these reports will be published on the websites of the Company and the Municipality.

Environmental and Social Expert will be responsible for monitoring all Project related stakeholder engagement activities, ensuring the fulfilment and updating of this SEP, produce reports on the progress achieved with the implementation of the LAP. These reports will consolidate the information on compensation and livelihood restoration measures, consultations

measures, information on negotiations and results, provision of assistance to vulnerable groups, grievance management, etc.

Information from these reports will be summarised and included in the annual Environmental and Social Management Reports, distributed to relevant stakeholders, including EBRD.

The table below presents monitoring indicators:

Table 3. *Monitoring indicators*

Monitoring indicators	Monitoring Frequency Phase 1.
Expenditure on compensation for loss of livelihood	Biannually
Types of impacts (temporary, permanent)	Biannually
Number of project affected people, by category (owners, users - formal and informal, members of vulnerable groups)	Biannually
Number and types of affected properties / assets (land, non-residential structures, businesses)	Biannually
Average time for payment of cash compensation	Biannually
Number and types of consultations held (including numbers of participants and issues addressed)	Biannually
Implementation of censuses and socio-economic surveys	Biannually
Number and type of livelihood restoration measures implemented	Biannually
Number of processed and outstanding (or unresolved) grievances	Biannually