

ZIVINICE WATER AND WASTEWATER PROJECT

Land Acquisition and Resettlement Framework

July 2026



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LIST OF ABBREVIATIONS

EBRD	European Bank for Reconstruction and Development
ESR	Environmental and Social Requirements (of EBRD)
FBiH	Federation of Bosnia and Herzegovina
LARF	Land Acquisition and Resettlement Framework
LARP	Land Acquisition and Resettlement Plan
PC	Public Company
PIU	Project Implementation Unit
SEP	Stakeholder Engagement Plan
ViK	“Vodovod i kanalizacija” Zivinice

1 INTRODUCTION

1.1 Project Context

City of Zivinice's drinking water and wastewater systems were built during the 1960s and have since then undergone little or no maintenance. Consequently, **both the drinking water and the wastewater networks significantly underperform** as illustrated with physical drinking water supply system losses at around 70% (of the water put into distribution), while the wastewater network suffers from high volumes of unwanted water, prematurely discharging sewage to the natural environment. Zivinice's wastewater treatment plant was constructed in 2014. However, wastewater quality monitoring results for the last three years show that the specified parameters for effluent often exceed legally mandated limits, indicating that the equipment is not adequately maintained.

The **European Bank for Reconstruction and Development (the EBRD) is considering providing finance to the City for the modernisation and digitalisation of the drinking water and wastewater networks** (the Project). The City has established a **Project Implementation Unit (PIU)** to manage the Project.

1.2 Brief Project Description

Regarding **water supply**, the Project encompasses various components: reconstructing the pressure transmission pipeline from pumping station Spreca to the Mestrici Reservoir, reconstructing the Mestrici reservoir, reconstructing and extending the distribution network in several urban and suburban settlements (Strasanj, Orb, Sjever, Jezero, Novi Grad, Ciljuge, Litve, Golubinjak, Visca, Naselje uz prugu, Riba and Donja Visca), replacing 50% of water meters, installing a SCADA system, procuring a spare pump for the water source Pjesinac and replacing pumps at pumping station Spreca. In the Dubrave settlement, reconstruction and extension of the distribution network are planned. The Project also includes extension of the water supply network to the Ciljuge and Maline industrial zones.

The Project also aims to enhance the existing **wastewater infrastructure** by separating the sewerage system into stormwater and sanitary sewerage. This involves laying new pipes for sanitary sewerage and repurposing the combined system for temporary stormwater use with appropriate cleaning measures. The collected stormwater will be treated in four newly installed oil and grease separators and then discharged into the Oskova River through four outlets. The Project includes expanding the sanitary sewerage network to five additional settlements – Sjever, Ciljuge, Jezero, Donja Visca and Maline. The Project also includes construction and installation of a small wastewater treatment unit within the Maline Industrial Zone. For the central wastewater treatment plant in Strasanj, the Project includes procurement of spare parts for key equipment to improve maintenance efficiency and reduce downtime in the event of equipment malfunction.

A more detailed description of the Project is provided in the Non-Technical Summary (NTS) of the Project which is part of the Project's disclosure package.

The City plans to obtain three urban permits for the three key Project components: (i) construction of water supply infrastructure in the urban area, (ii) construction of water supply infrastructure in Dubrave, and (iii) construction of wastewater infrastructure. However, construction permits will be obtained separately for individual sections or phases of the Project. This means that construction permits will be requested for those sections where the required land rights have been resolved, including completion of any necessary expropriation, easement establishment or other legal procedures. As a result, construction is expected to

proceed in phases, depending on when land ownership and land access issues are resolved for each Project section.

1.3 Purpose of this Land Acquisition and Resettlement Framework (LARF)

This LARF defines the general principles, procedures and entitlements with respect to potential land-related impacts of the Project, in accordance with *the Law on Expropriation* in FBiH, as well as *EBRD Environmental and Social Requirement (ESR) 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement*.

This LARF is also the basis for development of a detailed Land Acquisition and Resettlement Plan (LARP) which will be developed once the exact nature and scope of land acquisition or Project-related restrictions on use of land become known.

1.4 Scope of Future Land Acquisition and Resettlement Plan (LARP)

The LARP will assess and address all land acquisition and displacement impacts that are known or can be reasonably identified at the time of its preparation, including:

- > permanent easement or incomplete expropriation crossing privately owned land (see chapter below for details), together with any affected land, crops, trees, structures, fences or other assets identified within the required corridor.
- > temporary occupation of privately owned land, where identified before construction, including for material storage, equipment parking, temporary access, work areas or contractor facilities; and
- > construction-related impacts that may not be fully known at the time the LARP is prepared, such as temporary access restrictions to residential or commercial premises, short-term disruption to business operations, accidental damage to assets, or the need for additional temporary land use. Such impacts will be addressed through a procedure set out in the LARP and implemented by the City and the contractor during construction.

The LARP will therefore distinguish between:

- i) confirmed impacts, which will be fully assessed and compensated before the relevant works commence; and
- ii) potential or unforeseen construction-related impacts, which will be managed through defined procedures, contractor obligations, grievance management and monitoring during construction.

During preparation of the LARP, a census and asset inventory will be carried out to identify affected persons, land plots, land users and affected assets for all impacts known or reasonably identifiable at that stage. A proportionate socio-economic survey will also be conducted to understand the profile of affected persons, their land use and tenure arrangements, sources of livelihood and the significance of any impacts on their land, assets or income. The findings will provide the basis for confirming eligibility, defining entitlements and, where required, identifying livelihood restoration measures.

2 PRELIMINARY ASSESSMENT OF LAND RELATED IMPACTS

2.1 Pre-construction Phase

Based on the review of the currently available Project documentation, including the Conceptual Designs for the water supply and wastewater networks, it has been preliminarily identified that certain sections of the proposed water supply and wastewater infrastructure, together with associated facilities (such as manholes, inspection chambers, oil and grease separators, pumping stations and other ancillary infrastructure), will be located on privately owned land.

In such cases, land acquisition and the establishment of the required land rights will need to be undertaken. Depending on the type of infrastructure and the extent of land required, land acquisition will be carried out either through **complete expropriation**, where permanent acquisition of land is required (e.g. for pumping stations, separators, inspection chambers and other ancillary structures) or through **incomplete expropriation**, by establishing permanent easement rights for underground water supply and wastewater pipelines.

A preliminary review has identified the following locations with potential land acquisition requirements:

➤ **Construction of stormwater discharge pipelines and oil and grease separators**

The Project includes the construction of four discharge pipelines together with associated oil and grease separators for the discharge of stormwater into the Oskova River in the settlement of *Naselje uz prugu*. These facilities are planned at four separate locations around 400–500 m apart, with a combined length of the associated pipeline sections of approx. 500 m, as shown in the figure below.



Proposed locations of the stormwater discharge pipeline and oil and grease separator

The separators are designed as manhole structures with an above-ground component and occupy an area of approximately 2–3 m² each. Due to their permanent nature and the need to ensure unrestricted access for operation and maintenance, permanent land acquisition through complete expropriation will be required for their locations.

The extent of the required land rights for these locations will be determined through the preparation of an Expropriation Study, as required by FBiH legislation.

> Water Supply Network Alignments

A review of publicly available cadastral data for the proposed water supply routes indicate that some plots where the water supply network is planned are registered in the cadastre as private land, while some plots belong to the City of Zivinice or are otherwise classified as public land. In addition, a significant portion of the planned secondary water supply network follows existing roads or access roads which, according to available cadastral records, are registered as privately owned land. These sections do not appear to cross residential yards or cultivated land.

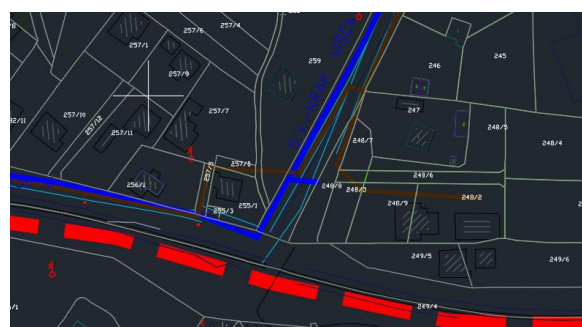
This indicates that, in some locations, there may be discrepancies between the cadastral ownership records and the current land use observed on the ground. Although these locations are currently used as public roads, the underlying ownership status indicates that the relevant land rights will need to be resolved prior to commencement of construction.

> Wastewater network alignments

A review of the graphical drawings included in the Preliminary Designs indicates that certain sections of the proposed sanitary sewerage network are aligned almost entirely through privately owned land. This situation is particularly evident in the *Maline* settlement, where parts of the proposed pipeline are located approximately 2–3 m inside privately owned land plots along substantial sections of the route. Similar although less extensive situations have also been identified in the *Donja Visca* settlement. Examples of these situations are shown in the figures below (brown lines showing proposed new alignment).



Maline settlement – Proposed sewerage alignment shown in brown, crossing privately owned land; proposed water supply network shown in blue; other lines represent structural and auxiliary elements



Donja Visca settlement – Proposed sewerage alignment shown in brown, crossing privately owned land; proposed water supply network shown in blue; other lines represent structural and auxiliary elements

These findings indicate that the implementation of these sections of the Project will likely require the establishment of permanent easement rights or, where dictated by the final technical solution and the location of associated infrastructure, permanent land acquisition through complete expropriation. The exact extent of the required land rights will be confirmed during preparation of the Main Designs and the subsequent Expropriation Study.

Unlike for the water supply network, a detailed review of publicly available cadastral data has not been carried out by the designers for the wastewater network. However, given that the proposed sewerage alignments generally follow the same roads and access routes as the water supply network, it is reasonable to expect that a proportion of the affected land may also represent existing roads or access roads that remain registered as privately owned land. The relevant land rights will need to be resolved prior to commencement of construction.

> Construction of a small wastewater treatment unit

The construction of a small wastewater treatment unit within the Maline Industrial Zone is planned on two land plots. A review of publicly available cadastral data shows that one of the land plots (52,779 m²) is registered under PC Spreca and the second land plot (1,725 m²) under three private individuals. The majority of the planned facility is located on the larger plot owned by PC Spreca while a small portion extends on the second plot.



Planned layout of the wastewater treatment unit



Aerial view of the site with cadastral boundaries

Therefore, the land status and required land rights will need to be clarified, including whether purchase, easement, lease or another agreement is required.

Preliminary conclusions

The preliminary assessment indicates that land acquisition requirements are likely to arise across several Project components and in multiple settlements within the Project area. At this stage, the available Project documentation indicates that both complete expropriation (for above-ground structures and ancillary facilities) and incomplete expropriation through the establishment of permanent easements (for underground pipelines) are likely to be required.

In case of incomplete expropriation, the easement would allow the City of Zivinice to install, operate, maintain and access the sewerage infrastructure, while the affected landowners would retain ownership of the land. The easement corridor may impose restrictions on land use within and immediately around the pipeline route. These restrictions are expected to be necessary to ensure long-term operational safety, access for inspection and maintenance, and protection of the physical integrity of the infrastructure. Depending on the final technical design and the characteristics of the affected plots, the restrictions may limit certain activities, such as construction of permanent structures, planting of deep-rooted vegetation, or other uses that could interfere with the pipeline or restrict access to it.

The easement rights would be registered in the official land registry in accordance with national legislation, in order to secure the long-term legal protection of the right-of-way for the City. Although ownership of the affected land would remain with the landowners, the restrictions may reduce the productive value of the affected parts of the plots or limit their future development potential.

The exact land requirements will be confirmed during preparation of the Main Designs. The list of affected land plots, ownership status, land use, affected assets and the scope of required land rights will be known once the Expropriation Study is prepared by the City, as required under national legislation.

Following confirmation of the affected land plots and required land rights, the City will prepare a Land Acquisition and Resettlement Plan (LARP), based on this LARF. The LARP will define the

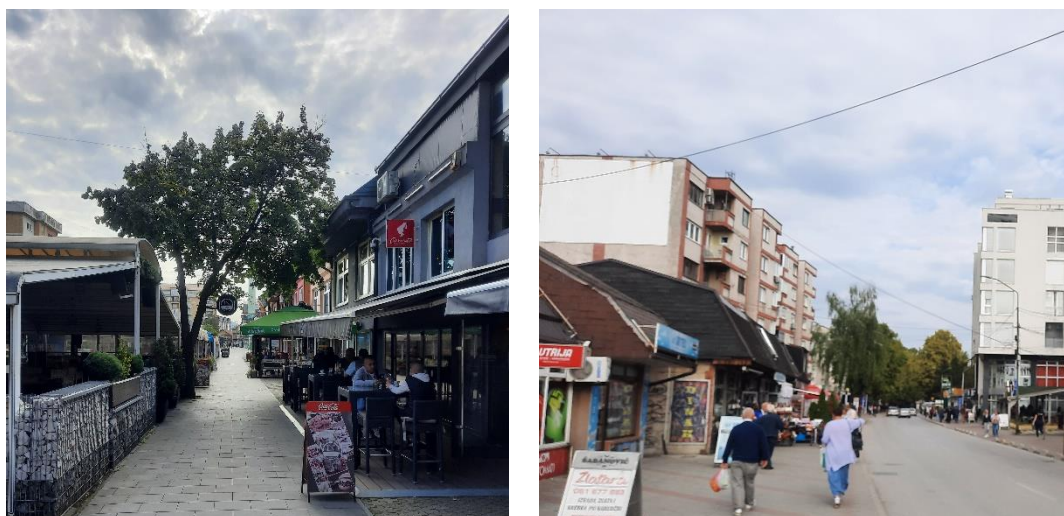
affected persons, affected assets, compensation entitlements, consultation requirements, implementation responsibilities, grievance mechanism arrangements, budget and monitoring measures. The LARP will be implemented in accordance with national legislation, this LARF and EBRD ESR 5.

Note: As the Main Designs for the Project components have not yet been developed, and the exact alignment and land requirements may change during further design stages. It is therefore possible that other sections of the water supply or sewerage networks may affect privately owned land or require additional land rights. This LARF will apply to any such additional land acquisition, land use restriction, temporary land occupation or displacement impacts identified during further Project preparation and implementation.

2.2 Construction Phase

The majority of construction and reconstruction works will be carried out within existing public roads and rights-of-way in the urban centre of Zivinice, as well as in suburban, peri-urban and industrial areas, including the settlements of Visca Donja, Dubrave, Maline and Ciljuge.

The **urban centre of Zivinice** includes a number of streets with dense commercial, service and residential activity. Four main local streets serve as important transit routes: *Alije Izetbegovica Street*, *Prva Ulica Street*, *Druga Ulica Street* and *Nesib Malkic Boulevard*. The existing and planned main water supply and sewerage pipelines are located along or beneath these streets. The area includes numerous small businesses, including shops, cafes, restaurants, the city market, a large shopping centre, taxi stands and gas stations.



Photographs of Alija Izetbegovic Street and Nesib Malkic Boulevard

In **Visca Donja**, the planned works are focused on reconstruction and extension of the local water distribution network, with additional sewerage-related extensions included. The settlement is predominantly residential, with houses located along local roads, interspersed with small-scale businesses such as restaurants, grocery and convenience stores, local petrol stations and vehicle repair services.

In **Dubrave**, there are a small number of small-scale businesses, including car rental agencies, transportation services, restaurants and car cleaning services.

In **Maline**, the planned alignments runs parallel to the existing public road, namely the M18 main road and then westwards through the settlement along local asphalt roads. The route passes through areas with industrial and business facilities, hotels and other commercial activities,

before continuing through a more residential and semi-rural part of the settlement with private houses, agricultural land and local roads. A new small wastewater treatment unit is also planned in the Maline Industrial Zone.

In **Ciljuge**, both water supply and sewage network works are planned. The area includes industrial and commercial facilities, with a small sports airfield and a fire station located in the wider area.

Therefore, in addition to the permanent impacts associated with land acquisition and the establishment of easement rights described in the previous section, temporary land-related and livelihood impacts may occur, particularly where works are carried out in narrow streets, commercial areas or areas with limited space for construction activities. Potential impacts may include temporary restrictions of access to businesses, agricultural land or industrial premises; temporary obstruction of business entrances, parking areas, loading areas or delivery routes; disruption to customer access and visibility of businesses; and temporary use of privately owned or publicly used land for construction needs.

Considering the urbanised nature of the Project area characterised by high population density and the planned activities, it is expected that there will inevitably be moderate access restrictions. Such impacts are expected to be temporary and site-specific, but they will need to be carefully managed.

There is also a possibility that the contractor may need to temporarily use privately owned land for material storage, equipment parking, access, temporary traffic management or other construction-related purposes, particularly in areas with spatial constraints such as the urban core of Zivinice. Where the need for temporary occupation of privately owned land is identified prior to the commencement of construction, such impacts will be addressed through the LARP. Should additional requirements for temporary land occupation arise during construction, they will be managed in accordance with the procedures set out in this LARF and the subsequent LARP.

3 LEGAL REVIEW AND GAP ANALYSIS

3.1 FBiH Law on Expropriation

The table below summarises the key provisions of the *Law on Expropriation of FBiH*¹.

Table 1 – Overview of Key Provisions of the Law on Expropriation

Topic	Description
Public interest	Property can only be expropriated after public interest is declared for a project, through a special decree, a law or a spatial/urban plan.
Information and consultation requirements	Prior to submitting the expropriation proposal, the expropriation beneficiary is required to issue a public announcement inviting property owners to participate in negotiations for a negotiated settlement. Throughout the expropriation process, affected owners are kept informed of key steps, including formal notification once the expropriation proposal has been submitted. Before a decision on expropriation is made, the competent city authority must organise a meeting with affected persons holding formal legal rights, to present relevant information and allow them to express their views.
Expropriation process	Expropriation can only be initiated once the necessary funds for compensation have been secured and deposited in the amount of the assessed total compensation, or where appropriate, proof of availability of replacement property has been provided. The expropriation procedure formally begins with the submission of an expropriation proposal.
Process of identifying factual owners/users	After the submission of the expropriation proposal, the city authorities appoint a committee to oversee the process and address the preliminary issues of ownership before deciding on expropriation. The committee determines ownership through land registry information ² and site investigations, involving the expropriation beneficiary, court valuers and property owners. The committee then organises a meeting with the owners and issues a decision on ownership resolution. Finally, it issues a decision on expropriation which the affected individuals can appeal against to the Federal Administration for Geodetic and Property Affairs, as the second instance authority.
Types of expropriation	Expropriation may be <i>complete</i> or <i>incomplete</i>: > Complete expropriation allows the expropriation beneficiary to obtain legal title over the expropriated property, while the rights of the previous owner over the property as well as other rights over that property cease to exist. > Incomplete expropriation does not entail change of ownership of land. It provides the beneficiary with use rights on the land or the lease of the land for a definite period.
Right to request expropriation of remaining unviable land/orphan land	Landowners affected by partial expropriation have the right to request expropriation of the remaining land if it becomes unviable, i.e. if the partial loss would significantly deteriorate their economic situation or render the remaining portion unusable or difficult to use. Affected owners must be informed of this right during the expropriation process.
Temporary occupation of land	Temporary occupation of land must be based on a formal proposal specifying the purpose of occupation, the affected property, the identity of the owner and the duration of use. Compensation is provided for the period of occupation, based on market lease value.
Negotiations	The Law explicitly encourages negotiated settlements, thus enabling the expropriation beneficiary and property owner to agree on transfer of ownership and compensation during the entire process.
Timing of compensation and access to property	As a rule, compensation must be provided prior to formal transfer of ownership. For reasons of urgency and to avoid major damage, the expropriation beneficiary may take possession of land even before the Decision on Expropriation becomes final and

¹Official Gazette of FBiH, No. 70/07, 36/10, 25/12, 34/16

²In practice, the person registered in the land registry is often different from the actual owner/user who may be the heir, the person who purchased the property but failed to report such transfer, etc.

	before compensation is paid, but solely on the basis of a decision by the FBiH Government. If a residential or commercial structure is being expropriated, the expropriation beneficiary may not file a request for an early access until a replacement property is secured. An administrative dispute may be initiated against the Decision of the FBiH Government which allows early access. The dispute does not delay early access to the property.
Preferred type of compensation	Compensation in the form of replacement property is preferred. Such property should be located within the same municipality or city and be of comparable market value, offering similar conditions of use to those prior to expropriation. If the affected owner refuses replacement property, or if suitable replacement property cannot be provided, compensation is paid in cash at market value. The Law also prescribes specific methods for determining compensation for different types of assets, including orchards, forests and agricultural plantations.
Additional compensation	Property owners are also entitled to: Increased compensation based on "personal and family circumstances", which are taken into consideration if such circumstances are essential for the owner's livelihood, particularly in case a major part or whole of the land or commercial premises have been expropriated, thus endangering the livelihood of the former owner, or in case members of an agricultural household must move from the area where they had been living Lost profit: the former owners are entitled to the lost profit they would have earned if they had continued using the expropriated property. Lost profits are calculated from the date the owner lost possession of the property until the date he/she received compensation. Both types of entitlements are defined on a case-by-case basis.
Compensation eligibility	As a rule, the owners of assets registered in the Land Register (i.e., formal property owners) are entitled to receive compensation at market value. Owners of informally built structures are not entitled to receive compensation. The exception is when an informally built residential building is the only residential building the owner and their closest family members or their legal heirs possess, in which case they are entitled to the compensation at market value. Conditions for recognition of the right to compensation to an owner of an informally built structure, in addition to the above, include that the responsible authority had not passed a final decision to remove the building; and that the informally built structure is registered in the official aerial survey of FBiH.
Grievance procedure	The Law foresees the rights of affected citizens to appeal at many stages of the expropriation procedure, including administrative and judicial appeals (i.e. against the decision on public interest, the decision on expropriation and regarding compensation).

3.2 Key Steps in the Expropriation Procedure

The key steps in the expropriation procedure are explained below:

1. The expropriation beneficiary must publish a public invitation to property owners to try to reach a **negotiated settlement**. The parties then conclude a notarised purchase agreement on transfer of legal title.
2. In case a negotiated settlement has not been reached, the expropriation beneficiary files a **proposal for expropriation** to the city administration. Even after this step, a negotiated settlement can still be signed until the decision on expropriation becomes final.
3. Upon receiving the proposal, the city administration must **notify the owners** that the expropriation procedure has been initiated, together with a warning to the owners that they shall not be entitled to compensation of costs of their investments in land or

buildings (except the costs of regular maintenance) made after the date they received written notification that the expropriation procedure had commenced – **cut-off date**.

4. The city administration must then **meet with the owners** to discuss expropriation and notify them that they have the right to file a request for expropriation of the remaining unviable part of the property.
5. If land registry data do not correspond to the actual ownership situation (often the case due to out-dated information in the land registry books³), the city administration must **sort out the title issues** prior to proceeding with further steps.
6. The city administration issues a **Decision on Expropriation**. The affected person can appeal against this Decision to the Federal Administration for Geodesy and Legal Property Affairs. If still unsatisfied, an administrative dispute can be initiated before the cantonal court.
7. When the Decision on Expropriation becomes final, the city administration must **invite the affected person to agree on the amount of compensation**. If the parties come to an agreement, a formal agreement is signed.
8. If no agreement on compensation is reached within two months, the city administration refers the case to the **municipal court to determine the compensation**. Affected people can appeal against the court's decision and take the case to the cantonal court (whose decision is then considered final but can still be disputed at the Supreme Court).
9. **Formal transfer of legal title** in the land register is carried out based on a valid Decision and proof of payment of compensation (in case monetary compensation is provided) or proof that the previous owner has acquired ownership of replacement property (in case replacement assets are provided).

3.3 EBRD Requirements

Along with the obligation to follow the national legislative requirements, the Project also must fulfil the requirements of EBRD.

EBRD's 2024 Environmental and Social Policy has a dedicated **Environmental and Social Requirement (ESR) 5**, which addresses land acquisition, restrictions on land use, involuntary resettlement and livelihood restoration. It recognises that, if not properly managed, such impacts may lead to long-term hardship and impoverishment of affected persons and communities.

ESR 5 applies to projects involving both physical and economic displacement, regardless of scale or duration (temporary or permanent). In addition to formal owners, it also covers impacts on persons without legally recognisable rights who occupy or use land, assets or natural resources (e.g. informal users of public land).

It further applies to restrictions on land use that result in loss of access to land, assets, natural resources, or livelihoods, including temporary occupation during construction and permanent limitations during operation (e.g. rights of way or restrictions).

EBRD's requirements can be summarised as follows:

- > to avoid or, at least minimise, project-induced physical or economic displacement

³ E.g., the person registered in the land registry is different from the actual owner/user who may be the heir, the person who purchased the property but failed to report such transfer, to obtain ownership title, etc.

whenever feasible by exploring alternative project designs,

- > where displacement is unavoidable, to develop and implement appropriate compensation, resettlement and livelihood restoration action plans,
- > to mitigate adverse impacts from land acquisition by providing compensation and/or resettlement options and restoration or improvement of livelihoods, regardless of whether formal legal rights on land/structures exist,
- > to never to resort to forced eviction,
- > to provide compensation for loss of assets at full replacement cost, in a timely manner and prior to taking possession of acquired assets, except in certain cases including absentee owners, rejection of fair compensation offers and lengthy legal proceedings regarding competing claims,
- > to improve or, at a minimum, restore the livelihoods, income earning capacity and standards of living of all displaced persons, including those who have no legally recognisable rights or claims to the land,
- > to ensure that compensation, resettlement and livelihood restoration activities are planned and implemented with appropriate disclosure of information, consultation and the informed participation of affected people,
- > to make special provisions for assisting disadvantaged or vulnerable individuals and/or groups that may be more adversely affected by displacement than others and who may be limited in their ability to claim or take advantage of livelihood restoration assistance and related development benefits,
- > to ensure that compensation entitlement and delivery consider gender aspects and that they are equally available to men and women and adapted to their specific needs,
- > 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,
- > to monitor the land acquisition, resettlement and livelihood restoration process and adjust (undertake corrective actions) to achieve the objectives of relevant policies.

3.4 Gaps and Solutions

The following gaps have been identified between the FBiH Law on Expropriation and EBRD requirements:

- > **Avoidance of or minimising displacement:** The FBiH Law has no explicit provisions on avoiding or minimising displacement, contrary to ESR 5 which requires taking into consideration of feasible alternative project designs to avoid or at least minimise physical and/or economic displacement, while balancing environmental, social and financial costs and benefits.
- > **Resettlement planning:** The FBiH Law does not require the preparation of resettlement planning documents, such as a resettlement framework or plan, as mandated by ESR 5.
- > **Consultation process:** The legal requirements for land acquisition under FBiH Law involve consultations with affected parties but not as extensively as required under ESR 5.
- > **Compensation criteria:** Compensation under FBiH Law is provided at market value, rather than at the full replacement cost required by ESR 5.
- > **Informal land users:** Informal land users are not eligible for compensation under FBiH Law, whereas ESR 5 explicitly includes provisions for compensating informal occupants to

support their livelihood restoration⁴.

- > **Livelihood restoration:** The FBiH Law does not require the collection of livelihood or other socio-economic baseline information, nor does it mandate any livelihood restoration measures for affected persons, as required by ESR 5.
- > **Support for vulnerable groups:** There are no specific provisions in the FBiH Law for offering additional assistance to vulnerable groups during the land acquisition process (although there are other legislative acts protecting vulnerable people).
- > **Project-specific grievance mechanism:** The FBiH Law does not require the establishment of a Project-specific grievance mechanism to address concerns from affected people, which is a requirement under ESR 5.
- > **Monitoring and evaluation:** There is no legal requirement in the FBiH Law to conduct monitoring and evaluation of the land acquisition and resettlement process, unlike the standards outlined by ESR 5.

All projects financed by EBRD must adhere to ESR 5. Therefore, this LARF has been developed to bridge these gaps and enable compliance of the land acquisition process with these requirements.

⁴ There is an exception from this rule is when an illegally built house is the only house the owner and their closest family members or their legal heirs possess, in which case they are entitled to the compensation at market value by Law.

4 KEY PRINCIPLES OF LAND ACQUISITION, LAND USE RESTRICTIONS AND ACCESS MANAGEMENT

The City of Zivinice will apply the following principles in relation to land acquisition, restrictions on land use, temporary land occupation and access management during implementation of the Project. These principles are intended to ensure compliance with the applicable legislation in FBiH, in particular the Law on Expropriation, and with EBRD Environmental and Social Requirement 5:

1. **All land acquisition, restrictions on land use, temporary land occupation and related displacement impacts will be managed in accordance with applicable legislation in FBiH and EBRD requirements.** Where there are differences between national legislation and EBRD requirements, the standard that provides greater protection to affected persons will apply.
2. **Involuntary land acquisition and restrictions on land use will be avoided where feasible or minimised** through consideration of technically and financially viable design alternatives. Where possible, the Project will consider minor design adjustments or micro-realignments to avoid or reduce impacts on privately owned land and assets.
3. **A detailed LARP will be prepared once the exact land requirements and land-related impacts are known or can be reasonably identified.** If the need for further land acquisition is identified during the detailed design stage, this will also be assessed and managed in accordance with this LARF and the future LARP.

Where the need for temporary occupation of privately owned land is known before construction, including for material storage, equipment parking, temporary access, work areas or contractor facilities, such impacts will also be assessed and addressed in the LARP. Where additional temporary land use needs arise during construction, they will be managed through the procedures defined in the LARP and implemented by the City and the contractor.

4. **All affected persons will be informed, meaningfully consulted and encouraged to participate during LARP preparation and implementation,** in accordance with the information disclosure and consultation requirements set out in *Chapter 7* of this LARF. The consultation process shall ensure that women's perspectives are obtained, and their interests factored into all aspects of resettlement planning and implementation. Measures will be in place to ensure meaningful participation of women and men in any consultations about resettlement.
5. **Valuation of properties and losses will be conducted by official independent court experts.** Both formal and informal assets will be valued.
6. **A cut-off date for eligibility will be established and disclosed during preparation of the LARP.** For persons with registered rights, the cut-off date will be linked to the formal expropriation process, as applicable under national legislation. For informal users or persons not recorded in official land records, the cut-off date will be the date of the census and asset inventory. Persons who occupy the Project area after the cut-off date will not be eligible for compensation or assistance.
7. **All persons affected by land acquisition, restrictions on land use, loss of assets or temporary occupation of land before the cut-off date will be eligible for compensation and/or assistance in accordance with the Entitlements Matrix in this LARF.** Compensation and assistance will be provided before land entry, restriction of use or taking of possession, except in cases where compensation is placed in escrow due to unresolved ownership or other legal issues. Absentee owners will remain eligible for compensation. The City will make reasonable and documented efforts to identify and contact absentee owners, including through available land records, local inquiries, public

notices or other appropriate means. Where an absentee owner cannot be located, compensation will be secured in accordance with national legislation and made available if the owner later appears.

8. **Construction activities will be planned and implemented to avoid or minimise temporary access restrictions and economic displacement.** Safe and functional access to residences, businesses, public facilities, agricultural plots and industrial premises will be maintained wherever technically feasible. Where temporary restrictions cannot be avoided, alternative access arrangements, advance notice and mitigation measures will be provided. Temporary access arrangements may include pedestrian bridges with fencing, temporary vehicle crossings, temporary walkways, traffic diversions, phased works or other safe and practical measures. Particular attention will be given to maintaining access for vulnerable persons, emergency services, businesses, public facilities and other sensitive receptors.
9. **Accidental or construction-related damage to private land, crops, trees, fences, driveways, utilities, structures or other assets will be recorded, assessed and addressed** through repair, reinstatement or compensation, as appropriate. The contractor will be required to report such damage to the City and cooperate in its resolution.
10. **Where construction causes demonstrable livelihood impacts, including significant temporary disruption to business access or operations, affected persons will be eligible for assistance or compensation** in accordance with the procedures and Entitlements Matrix set out in the LARP. Such impacts will be assessed on a case-by-case basis and supported by relevant evidence.
11. **Vulnerable persons and households will be identified through the LARP process and through ongoing engagement during construction.** Additional assistance will be provided where necessary to ensure that vulnerable persons are able to access information, participate in consultations, submit grievances and receive compensation or assistance.
12. **A Project grievance mechanism will be available to receive and address concerns related to land acquisition, restrictions on land use, temporary land occupation, access restrictions, asset damage, compensation and livelihood impacts,** as defined in Chapter 9 of this LARF.
13. **The PIU will monitor the implementation of land acquisition, compensation, temporary land use, access management, livelihood restoration where applicable, grievance resolution and reinstatement measures,** as described in more detail in *Chapter 8.4* of this LARF.

5 PRINCIPLES OF PROPERTY VALUATION

The principles and entitlements outlined in this section are presented in a comprehensive manner and may cover a wider range of impact types than those currently identified for this Project. At this stage, the exact scope and nature of land acquisition impacts are not yet fully defined, and not all categories described below are expected to be applicable. The relevance of each entitlement category will be confirmed during the preparation of the LARP.

In addition, these valuation principles will apply to any later-identified impacts falling within the scope of this LARF.

5.1 Compensation for Different Categories of Assets

Compensation for permanent loss of construction or agricultural land (if required). The preferred option for land is replacement land which enables the previous owner approximately equal terms of use, according to the provisions of the Law on Expropriation. The compensation package will include compensation for any structures on the given plot at replacement cost.

Equal terms of use are satisfied if the following criteria are met: being acceptable to the affected owner/farmer, being approximately the same size, being located at reasonable distance, and in case of agricultural land: having a similar or better agricultural potential, i.e., fertility, slope, parcel shape, exposition to sunshine.

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

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

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

Compensation for loss of access to agricultural land. Informal land possessors will be compensated in cash not for land but for loss of assets (crops, irrigation infrastructure and other upgrades on the land) at replacement cost and provided with assistance for livelihood restoration where applicable, as detailed in the Entitlements Matrix.

Compensation for unviable land. Unviable land refers to 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 or other 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 recognised as such, will be based on the same entitlements as the main affected piece of land.

Compensation for crops and trees. Prior to land entry, all affected people will be given the opportunity to harvest their crops.

Annual crops are crops that are planted and harvested within a single year. These include crops such as corn, wheat, soybeans and similar. Perennial crops, on the other hand, are crops that have a longer lifespan and can be harvested multiple times over several years. These include crops such as fruit trees, grapevines, berries etc.

It is important to detail the compensation arrangements separately for annual crops and perennial crops or trees. For annual crops owners, users and occupants (e.g., formal tenant/lessee or informal possessors) should be compensated for their labour and harvest, as they are the ones who have put in the effort and resources to plant and harvest the crops. For trees or perennial crops, the compensation arrangements may differ depending on the agreement between the user/occupant and the landowner.

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

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 or land user. Annual crops that are harvested before land occupation by the beneficiary agency shall not be compensated.

Recent records of agricultural produce prices at cantonal or municipal level shall be used. Where such records are not available, the most recent official data published by the Agency for Statistics of Bosnia and Herzegovina (which are published in the form of First Release⁵ and are updated quarterly) 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, fertilisers, 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

⁵ AGRICULTURE, ENVIRONMENT AND REGIONAL STATISTICS, SALE OF AGRICULTURAL PRODUCTS ON GREEN MARKETS are available on the official website of the Agency for Statistic of BiH. Last available release published on 22nd June 2026 is available at the following link: https://bhas.gov.ba/data/Publikacije/Saopstenja/2026/AGR_07_2026_Q1_1_HR.pdf

compensation is due to the affected persons, the crops after the first year will be compensated at gross market value.

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

$$C = V \times D + CP + CL$$

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

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

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

CL – Costs of the labour required to maintain the crop during the period needed to grow a new tree to the previous production level

The unit rate C per tree shall then be applied to the whole plot per the results of inventory of project affected trees on each project affected plot, to be conducted in the presence of landowners/users.

Per the professional guidelines applied by official valuers in FBiH, compensation rates will be generated for the following four stages of tree development:

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

Unlike perennial plantation of fruit trees, where crops can be harvested over a prolonged period, many commercial types of trees produce yield only once. The replacement cost should therefore be the market value of timber as to be calculated for each land plot with commercial trees by official forestry valuers based on factors such as the type and quality of the trees, the age of the trees, and market demand for the specific type of wood. If affected commercial forests cannot be logged before the expropriation beneficiary gains access to the plot, all trees shall be compensated for the value of lost timber.

Compensation for business-related losses. No relocation of businesses is currently expected under the Project. However, temporary impacts on business activities may occur during construction, for example due to temporary changes in access arrangements, disturbance or works carried out in front of commercial premises. In such cases, affected businesses will be compensated for demonstrable loss of net income incurred as a result of Project activities until normal business operations are fully restored.

5.2 Preliminary Entitlements Matrix

This is a preliminary identification of types of loss/impact and entitlements, which will be further refined and confirmed during the development of the LARP.

Table 2 – Entitlements Matrix

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY OR LOSS	ENTITLEMENT
Permanent loss of land plot	> Replacement property with similar or same characteristics or cash compensation for land plot at full replacement cost > In case of partial loss of land plot: The right to request complete acquisition of unviable land plot and corresponding compensation at full replacement cost > Compensation for any affected auxiliary structures and crops/fruits/trees at replacement cost > Livelihood restoration assistance where land use restrictions result in a measurable impact on household income or subsistence activities. This may include support for crop diversification, access to alternative land or training or other forms of income-generating support. Measures will be tailored based on the findings of the socio-economic survey during LARP development > Additional assistance for vulnerable households on a case-by-case basis
Permanent loss of use rights due to pipeline servitude	> Compensation at full replacement cost for the permanent loss of land use rights within the easement corridor, calculated based on the fair market value of restricted use and depreciation in land value due to long-term limitations on construction, planting and development > Cash compensation at full replacement cost for the loss of or damage to any immovable improvements within the corridor, such as water wells, irrigation systems, etc. > Compensation for incidental damages or temporary losses that occur during pipeline installation or maintenance, including short-term disruptions to land use, agricultural production or services – to be paid at full replacement cost > Livelihood restoration assistance where land use restrictions result in a measurable impact on household income or subsistence activities. This may include support for crop diversification, access to alternative land or training or other forms of income-generating support. Measures will be tailored based on the findings of the socio-economic survey during LARP development > Additional assistance for vulnerable households on a case-by-case basis
Temporary loss of access to agricultural land (e.g., people informally using City-owned land for cultivation and grazing)	> Cash compensation for loss of assets on land (crops, irrigation infrastructure and other upgrades on the land) at replacement cost > Compensation for temporary loss of access to and use of the land during construction that result in a measurable impact on household income or subsistence activities, for the period in which such use is prevented by Project works, where affected users cannot reasonably continue these activities on alternative land, as to be determined through the socio-economic survey during LARP preparation > Other livelihood restoration assistance as applicable, may include support for crop diversification, training or other forms of income-generating

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY OR LOSS	ENTITLEMENT
	support. Measures will be tailored based on the findings of the socio-economic survey during LARP development. > Additional assistance for vulnerable households on a case-by-case basis
Temporary occupation of private land for construction activities	> Cash compensation for temporary land occupation in the amount of lease at market prices > Cash compensation for lost assets (e.g., structures, trees) to the owner of assets at replacement cost > Compensation for any damages or losses suffered at full replacement cost or in-kind replacement where feasible (e.g. replanting, fence reconstruction) > Compensation at replacement cost for loss of net income from subsequent crops that cannot be planted for the duration of temporary possession (e.g., compensation for harvests lost as to be defined by official agricultural valuation experts) Note: Agreements for temporary land use will be made between the contractor and landowners where needed, specifying the area, duration, compensation method and reinstatement conditions. As to be specified in the agreements, the contractor will create a detailed record before entering any property to document the initial condition of the property that will be temporarily used. This will include photographs, descriptions and any other relevant evidence to clearly establish the property's conditions before any activities begin. After all activities are completed, a final condition report will be prepared, documenting the state of the property post-use in comparison to the initial record to assess any changes or damages. Based on this, the contractor will be obligated to compensate for any damages incurred and restore the property to its original condition. All restoration efforts will need to be conducted in a timely and efficient manner to minimise any inconvenience to the property owner. The process will be monitored by the City.
Restriction of access to homes, businesses or agricultural plots during works	> Access to properties, businesses, public services, emergency routes and other affected facilities will be maintained. Temporary access solutions will be always ensured through the provision of safe and functional access infrastructure, such as pedestrian footbridges, vehicle/car bridges and sidewalks/temporary walkways. > Advance notice and coordination with affected households and business owners to plan for upcoming construction works and ensure that access disruptions are minimised or scheduled around critical times (e.g. peak business hours, harvest periods). > All assets will be restored to their original condition upon completion of construction, including reinstallation of topsoil and damaged surfaces (pavement, lawns, fencing, etc.). > Technical safety measures will be implemented to ensure the safe movement of people, livestock and goods in areas where construction activities are ongoing. This may include signage, fencing, lighting, temporary crossings where needed. > Compensation for verifiable income losses suffered by business owners or agricultural producers due to temporary access restrictions for the duration of the restrictions. This will be calculated based on documented income records and seasonal activity, as appropriate.
Disproportionate/more difficult impact, because of vulnerability	All entitlements defined in this Matrix will apply equally to vulnerable households; in addition, targeted assistance will be provided to ensure that

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY OR LOSS	ENTITLEMENT
	affected individuals are not disproportionately impacted by displacement or loss of access. Additional assistance may include legal or administrative support to secure compensation, support in opening bank accounts or completing documentation, provision of in-kind support (e.g. transportation, materials). The need for and type of additional support will be determined on a case-by-case basis, based on the results of the socio-economic survey and vulnerability screening.
Unanticipated impact (permanent or temporary loss)	Any unanticipated impact shall be mitigated in accordance with the principles and objectives of this LARF. In case of discrepancies between the <i>Law on Expropriation</i> and EBRD requirements in a particular case, the provision more favourable for the affected owner/user shall prevail.

6 ASSISTANCE TO VULNERABLE GROUPS

Special attention will be given to the needs of vulnerable persons and households based on their personal situation, and appropriate measures shall be taken to assist such persons and households throughout the land acquisition, compensation, temporary land use and construction-related impact management process.

Categories of vulnerable people include, but are not limited to:

- > persons who depend on the affected land for incomes/livelihoods, particularly where it is the only land they own or use,
- > informal users of affected land who have no other sources of income or assets of their own,
- > elderly single-headed households, single parent households, persons with disabilities, etc.,
- > persons or households who may be affected by economic displacement, temporary loss of access or loss of assets.

The socio-economic characteristics and vulnerability of the affected population will be evaluated during the socio-economic survey and vulnerability screening (to be conducted during preparation of LARP). The City will also collect information on the vulnerability of affected people once the official expropriation procedure starts and during construction where additional impacts are identified, which will be taken into consideration when proposing compensation and potential support to vulnerable households.

Assistance to vulnerable people may include the following activities, depending on a case-by-case screening:

- > Assistance during the compensation and impact management process:
 - o individual visits to the homes of vulnerable persons/households to explain eligibility criteria and entitlements (for elderly people and people with disability/chronic illnesses),
 - o assistance during the payment process, i.e., ensuring that affected people have bank accounts into which compensation can be paid, and that compensation documents and payment process are well understood (for elderly people /people with disabilities),
 - o assistance to exercise the right to receive vulnerable people benefits provided under the Law on Bases of Social Welfare, Protection of Civilian Victims of War, and Protection of Families with Children, as applicable.
 - o assistance in identifying and buying new property (if applicable)
 - o assistance in moving (if physical relocation or relocation of movable assets becomes necessary),
- > Assistance during the construction and post-compensation period (such as support in maintaining access, understanding notices, submitting grievances, securing compensation money and reducing risks of misuse or robbery).

In addition, if the conditions of Article 47 of the *Law on Expropriation of FBiH*⁶ are met, vulnerable households will receive an increase in compensation in addition to the above activities.

⁶ The personal and family circumstances of the owners whose real property is pending expropriation, as well as circumstances which may have adverse economic effects, should be considered when determining the compensation level (Article 47 of the Law)

7 DISCLOSURE OF INFORMATION AND CONSULTATIONS

7.1 Legal Requirements

The Law on Expropriation of FBiH contains provisions on disclosure of information and public consultations with persons whose property has been identified for expropriation:

- > Before filing the proposal for expropriation, the expropriation beneficiary is required to invite owners of affected properties in a public call to negotiate property acquisition,
- > Affected owners are informed that the proposal for expropriation has been filed,
- > Before issuing a decision on expropriation, the city administration is required to hear the affected person regarding circumstances that pertain to expropriation.

Before initiating the expropriation procedure, the expropriation beneficiary is required to issue a public notification in a daily newspaper in FBiH inviting specific owners to engage negotiations on settlements (in practice, the public notification is commonly also announced on the website of the expropriation beneficiary). After posting the public notification, all interested persons can obtain relevant information about the potential agreement they can conclude instead of expropriation, the expropriation procedure, types and modalities of compensation and other issues that pertain to their legal rights.

Also, all owners and other interested persons, pursuant to the Law on Freedom of Access to Information, may request from the responsible administrative authorities to provide information about the status of activities that affect their property.

7.2 Planned Disclosure of LARF and Consultations

The requirements for disclosure of Project relevant information and public consultations have been set out in the *Stakeholder Engagement Plan* for this Project for the purpose of enhancing stakeholder engagement throughout the life cycle of the Project and carrying out stakeholder engagement in line with local legislation and EBRD requirements.

The City will disclose the following documents as early as possible in the Project development process:

- > This LARF and the future LARP,
- > The Stakeholder Engagement Plan (SEP) and the Public Grievance Form,
- > The Non-technical Summary (NTS) of the Project,
- > The Environmental and Social Management Plan (ESMP) for the Project.

These documents will be available in one of the official languages in BiH (as well as English where available), both in electronic and printed forms at:

NAME OF INSTITUTION	WEBSITE	ADDRESS
Public Company "Vodovod i kanalizacija d.o.o." Zivinice (the Company)	https://vikzivinice.ba/	Strasanj bb, Zivinice, BiH
City of Zivinice	https://gradzivinice.ba/	Alije Izetbegovica 28, Zivinice, BiH

The disclosure package will also be available on the EBRD website (www.ebrd.com).

The City will organise structured public consultations on the Project and its key environmental and social documents, including this LARF. The **first public consultation meeting** will be organised after the Main Designs are developed to present the Project to the public and offer a clear understanding of the Project's scope and objectives. This meeting will also serve as an opportunity for stakeholders to provide feedback.

The **second public consultation meeting** will be organised prior to the start of construction. This meeting will present the detailed plan of the Project to stakeholders, including information on expected duration of construction works, the available Project-specific grievance mechanism, alternate routes and any other relevant Project specifics. The meeting will also provide an opportunity for affected persons and businesses to discuss practical concerns related to access, land use, business operations, agricultural activities, emergency access and other construction-related issues.

These events will be organised at a central venue in the City (such as the City Hall), which is deemed appropriate considering the relatively small size of Zivinice and the ease of access for all community members (without significant travel or logistical challenges).

As needed, the PIU will organise separate small group discussions and will identify whether any further specific assistance may be needed to ensure that any vulnerable groups or individuals are not excluded from or unable to participate fully in the consultation process.

All meetings will be documented and the discussions/feedback recorded. All Project-related comments and proposals will be considered by the PIU. A brief report ("comments matrix") on comments/proposals received and responses from the PIU will be published within 2 weeks from the public meeting on the websites of the City and ViK.

The PIU will inform all stakeholders about the exact date, time and venue where the meetings will be held 10 days in advance through the channels listed in the Stakeholder Engagement Plan.

7.3 Disclosure and Consultations regarding LARP

After the development of the draft LARP, the document will be disclosed in local languages and English on the websites of the City and ViK. Hard copies will also be made available at their premises.

LARP will remain in the public domain for the entire duration of the Project cycle.

Not earlier than 15 days after disclosure of the LARP (to allow for sufficient time for the public to review the draft document), a public consultation meeting will be organised at the premises of the City to present the draft LARP and discuss all land acquisition issues and concerns.

The meeting will be announced through the same channels as for LARF above. The announcements will indicate: (i) where the draft LARP can be accessed, (ii) the date of the meeting, (iii) the contact details of the responsible person to whom any questions or comments can be submitted in writing, as well as the timeframe for submission of comments.

During the meeting, the City will present the key contents of the LARP, with a focus on expected impacts, key principles and key entitlements, cut-off date, consultation and engagement methods and the available grievance mechanism.

Within 10 days from the organised public meeting, the City will consider and incorporate any comments received in writing or during the meeting, as well as prepare and include in the LARP a summary of comments/questions received and how they have been addressed.

Following the finalisation of LARP, it will be disclosed in the same manner as the draft LARP.

8 IMPLEMENTATION OF LARP

8.1 Implementation Responsibilities

The PIU will be responsible for Project implementation, including the implementation of the future LARP, under the supervision of EBRD. The PIU will oversee communicating with the local communities and consultations with affected people.

Note: *The PIU has appointed a specific contact person for enquiries and grievances under the Project-level grievance mechanism, but land related grievances will be managed separately with specific contact details to be defined in the LARP.*

The expropriation process will be managed by the City (the Department for Geodetic, Legal Property Issues and Asset Management).

The table below shows an overview of the responsibilities and arrangements for implementing the requirements of the LARP.

Table 3 – Organisational responsibilities and arrangements

Task	Responsible Entity
LARP Preparation	
Preparation of the Expropriation Study required under national legislation, including identification of affected land plots, ownership status, land users and required land rights	The City
Ensuring the preparation of the LARP including the census and socio-economic surveys, inventory of project affected assets (upon the development of Expropriation Studies and further assessments but before any construction activities)	PIU, with the assistance of a qualified resettlement specialist (LARP Consultant)
Information disclosure and consultations	
Disclosure of information and documents to all affected people and organisation of public meetings	PIU
Keeping records of consultation activities	PIU
Land acquisition and compensation process	
Direct communication with and visits to owners and occupants	The City
Valuation of property	Independent court experts
Concluding negotiated settlements prior to expropriation or expropriation of property in case negotiated settlements are not concluded	The City
Payment/ provision of compensation packages and providing other assistance including assessing and providing livelihood restoration assistance	The City
Provision of assistance to vulnerable persons / households as necessary	The City with support from relevant social welfare services, where required
Conclusion of written agreements for temporary occupation of private land during construction, where required, including definition of area, duration, compensation and reinstatement conditions	Contractor, under supervision of the PIU
Preparation of pre-entry and post-use condition records for temporarily occupied private land	

Task	Responsible Entity
Repair, reinstatement or compensation for accidental or construction-related damage to land, crops, trees, fences, utilities, structures or other assets	
Monitoring and reporting	
Monitoring and reporting to EBRD with respect to land acquisition, livelihood restoration and compensation payments	PIU
Monitoring and reporting on issues under the LARF/ LARP	PIU
Monitoring and reporting in respect of temporary land occupation carried out after construction commencement	Contractor
Receiving and managing grievances	
Receiving grievances and acknowledging receipt of grievances	PIU (in cooperation with the Contractor)
Keeping an integrated registry of grievances, including those received by the Contractor	PIU

8.2 Costs and Budget

The costs of the land acquisition, compensation and assistance process will be financed by the City of Zivinice. The LARP budget will include, as applicable, costs related to:

- > compensation for permanent acquisition of land, where required
- > compensation for permanent restrictions on land use, including easements or incomplete expropriation
- > compensation for affected structures, fences, wells, irrigation systems, utilities or other improvements
- > compensation for agricultural land, crops, trees and other productive assets
- > compensation for temporary occupation of privately owned land (if known at the time of LARP development)
- > compensation or assistance for livelihood or income losses, where applicable
- > additional assistance to vulnerable persons or households

8.3 Indicative Timetable for LARP Development and Implementation

The LARP shall be prepared by the City upon the finalisation of Main Designs and the development of the Expropriation Studies but prior to the actual implementation of land acquisition activities.

In case any land acquisition activities are performed before the development of the LARP, such activities will be evaluated in the process of preparing the LARP in order to determine whether the procedures that were conducted were in compliance with this LARF and whether it will be necessary to undertake further corrective activities with respect to harmonise the land acquisition procedure with this LARF and EBRD requirements.

A detailed timeline for land acquisition will be prepared within the LARP, including the anticipated period of monitoring following LARP implementation.

8.4 Monitoring, Evaluation and Reporting

The PIU will monitor the land acquisition process to ensure timely implementation, adequate compensation and assistance, effective grievance management and identification of any corrective measures needed.

The PIU will maintain an up-to-date land acquisition and compensation database. All information on affected people, their property and their compensation payments and assistance measures will be kept and managed securely and confidentially in line with the *Law on Personal Data Protection*.

The indicators to be used for monitoring will include the following (these indicators will be further refined in the LARP, based on the final scope of land acquisition and land use restrictions):

- > Overall spending on expropriation and compensation
- > Number of affected land plots, including plots subject to permanent acquisition, easement/incomplete expropriation or temporary occupation
- > Number and type of structures and other assets identified on affected land plots
- > 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 and reinstatement status)
- > Number of temporary access restrictions recorded and number of alternative access arrangements provided
- > Number of construction-related damage cases recorded, repaired, reinstated or compensated
- > Number of public meetings and consultations with affected people
- > 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 with distribution by compensation type and by classes of amounts
- > Number and amount of payments and / or measures to restore livelihood loss
- > Number of successfully re-established agricultural activities after land acquisition or restriction of access because of the Project (level of income), where applicable
- > Number and type of grievances, including any court cases, related to land acquisition, temporary land occupation, access restrictions, asset damage, compensation or livelihood impacts (submitted and resolved and how long it took for them to be resolved)

The PIU will document all meetings and consultations with minutes, and will submit these to EBRD, together with progress reports. Information from these reports will be summarised and included in the Project Annual Environmental & Social Reports and distributed to relevant stakeholders.

Upon implementation of the future LARP, the PIU shall submit a **Resettlement Execution Report** to EBRD. This report will be finalised upon completion of land acquisition, resettlement and livelihood restoration activities, and includes: summary of Project impacts; description of efforts to avoid and minimise displacement; summary of consultation events and outcomes, including how they influenced entitlements and other features of the land acquisition, resettlement and livelihood restoration activities; description of the compensation delivery process; description of any issues encountered and how they were resolved; summary of grievances received and how they were resolved, including the list of any grievances and court cases pending at the date of submission of the report; description of resources mobilised to plan and implement land acquisition, resettlement, and livelihood restoration activities.



9 GRIEVANCE MANAGEMENT

The grievance mechanism described below in this LARF is the same Project-level grievance mechanism presented in the Stakeholder Engagement Plan. The PIU has appointed a specific contact person for general Project enquiries and grievances, but land-related grievances will be recorded and managed separately within the Project grievance system, and specific contact details and responsibilities for land-related grievances will be defined in the LARP.

9.1 Overview

A Project-level grievance mechanism has been set up as a process for receiving, evaluating and addressing grievances from affected communities.

Both the PIU and the contractors/supervision engineers on site will accept grievances associated with the Project. The PIU will monitor the way in which grievances are being handled and ensure they are properly addressed within deadlines specified within the mechanism presented below.

This chapter includes the following supporting appendix: Project Grievance Form (Appendix 1: Public Grievance Form).

9.2 Submitting Grievances

Any concerns can be brought to the attention of PIU verbally (personally or by telephone) or in writing by filling in the Project Grievance Form (by personal delivery, post or e-mail to the address/number given below), without any costs incurred to the complainant. Grievances may also be submitted anonymously or without the use of the form if preferred. After the start of construction works, the Project Grievance Form may also be submitted directly to the contractor for construction works or the supervision engineer, which will forward any such received grievances to PIU without delay (within 24 hours) to allow PIU to further process the grievance/comment (i.e., record, acknowledge and respond to the grievance in the timeframes defined below).

The information boards to be placed at the construction site will clearly display contact information for third-party concerns (contact details of the PIU member designated to address any issues or concerns raised by third parties – their name, position, phone number, and email address).

The Project will not tolerate any form of retaliation, intimidation, coercion, discrimination, harassment or threats against any stakeholder raising concerns, comments or grievances regarding the Project. Any allegation of intimidation, retaliation or other stakeholder safety concern will be recorded, reviewed and addressed through the grievance mechanism in a timely and confidential manner.

9.3 Sensitive Grievances

Sensitive grievances, including allegations of gender-based violence and harassment, sexual exploitation and abuse, child abuse, intimidation, harassment or retaliation, may be submitted through the same Project grievance mechanism. Such grievances may be submitted anonymously and will be handled confidentially, with access to information restricted to authorised personnel only.

Designated focal point will also be responsible for receiving and coordinating the handling of sensitive grievances. Where appropriate, complainants will be referred to relevant support services or competent authorities in accordance with applicable legal requirements.

Sensitive grievances will not be disclosed publicly and any records related to such complaints will be maintained separately from general grievance records where necessary to protect the privacy and safety of complainants.

9.4 Recording and Acknowledging Grievances

The PIU will record all grievances in a Grievance Registry. All grievances will be recorded by PIU in the registry and assigned a number. Written and non-anonymous grievances will be acknowledged within 5 working days. Personal information collected through the grievance mechanism will be used solely for the purpose of reviewing and resolving grievances. Access to grievance records will be limited to authorised personnel involved in grievance management. Personal data will be handled confidentially and in accordance with applicable data protection requirements. To enable proper monitoring and evaluation, each grievance will be recorded in the registry with the following information:

- > description of grievance, including an indication of the type (topic) of the grievance – such as: (i) grievances related to economic disruptions for local businesses in the Project area, (ii) grievances related to temporary use of privately owned land for material storage and equipment housing, (iii) grievances related to gender-based violence and harassment, (iv) grievances related to construction noise or dust, etc. – to enable timely detection of most frequent incidents, ascertain trends and manage risks;
- > details about complainant's profile (gender, age, location and vulnerabilities if known), to understand who and where is most affected by potentially negative impacts of the Project (note: this information will be considered confidential and only disclosed to PIU staff working on grievances);
- > date of receipt of grievance and date of acknowledgement returned to the complainant;
- > description of actions taken (investigation, corrective measures, preventive measures); and
- > date of resolution and closure/provision of feedback to the complainant, including recording of level of satisfaction with the proposed resolution (see grievance close-out form below).

9.5 Assisting Complainants

If the grievance is vague and not clear enough, the PIU will assist and provide counsel in formulating/redrafting the submission, in order for the grievance to become clearer, for purposes of an informed decision by the PIU, in the best interests of persons affected by the Project and in consideration of the preferred resolution steps of the complainant.

9.6 Grievance Resolution

The PIU will make all reasonable efforts to address the complaint upon the acknowledgement of grievance. If the PIU is not able to address the issues raised by immediate corrective action, a long-term corrective action will be identified. **The complainant will be informed about the proposed**

corrective action and follow-up of corrective action within 15 working days upon the acknowledgement of grievance. Preventive actions will be identified and implemented with the aim of preventing recurrence of the same issue in the future; these will also be communicated to the complainant.

During the process of informing the complainant of the proposed action, the PIU will validate complainant satisfaction through providing a **grievance close-out form** for the resolved grievance to be signed by the complainant (if the complainant agrees) and the Company to attest to their mutual satisfaction. The PIU will make reasonable efforts to follow-up with the complainant to verify successful implementation of the action.

If the PIU is not able to address the particular issue raised through the grievance mechanism or if action is not required, it will provide a detailed explanation/justification on why the issue was not addressed. The response will also contain an explanation on how the person/ organisation that raised the complaint can proceed with the grievance in case the outcome is not satisfactory.

***NOTE:** At all times, complainants may seek other legal remedies in accordance with the local legislation, including formal judicial appeal.*

EBRD's Independent Project Accountability Mechanism

In addition to the Project-level mechanism managed by the Company, the EBRD's Independent Project Accountability Mechanism⁷ (IPAM), as an independent last resort tool where project mechanism fails, aims to facilitate the resolution of social, environmental and public disclosure issues raised by Project-affected people and civil society organisations about EBRD financed projects among Project stakeholders or to determine whether the Bank has complied with its ESP and the Project-specific provisions of its Access to Information Policy; and where applicable to address any existing non-compliance with these policies, while preventing future non-compliance by the Bank.

⁷ Information about the IPAM process can be found at: <https://www.ebrd.com/what-we-do/independent-project-accountability-mechanism.html>

9.7 Appendix 1: Public Grievance Form

Disclaimer: Personal information provided through this grievance form will be used solely for the purpose of reviewing and responding to the grievance. Information will be handled confidentially and in accordance with applicable personal data protection requirements. The Project will not tolerate any form of intimidation, coercion, discrimination, harassment or retaliation against individuals raising concerns or submitting grievances related to the Project.

Reference Number	
Full name (optional) ☐ I wish to raise my grievance anonymously. ☐ I request that you do not disclose my identity without my consent.	
Contact information Please mark how you wish to be contacted (mail, telephone, e-mail).	By Post: Please provide mailing address: _____ _____ By Telephone: _____ By E-mail: _____
Preferred language of communication	- Bosnian/Croatian/Serbian - English (if possible) - Other _____
Description of Incident for Grievance	
Description of Incident for Grievance	What happened? Where did it happen? Who did it happen to? What is the result of the problem?
Date of Incident / Grievance	
	☐ One-time incident/grievance (date _____) ☐ Happened more than once (how many times? _____) ☐ On-going (currently experiencing problem)
What would you like to see happen?	

Signature: _____

Date: _____

Please return this form to:

ZIVINICE WATER SUPPLY AND SEWAGE NETWORK PROJECT Project Implementation Unit Attention: Head of the Department of Municipal Services of the City of Zivinice Alije Izetbegovica 28, Zivinice, Bosnia and Herzegovina Tel. +387 35 743 323 E-mail: piu@gradzivinice.ba
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