

**LAND USE AND LIVELIHOOD RESTORATION FRAMEWORK
(LALRF)
for
Just Transition in Select Coal Regions of Bosnia and Herzegovina**

DRAFT

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ABBREVIATIONS

BiH	Bosnia and Herzegovina
CGC	Central Grievance Committee
ESF	Environmental and Social Framework
ESS	Environmental and Social Standards
FBiH	Federation of Bosnia and Herzegovina
GM	Grievance Mechanism
GC	Grievance Committee
MOFTER	Ministry of Foreign Trade and Economic Relations
OIP	Other Interested Parties
PAP	Project Affected People
PIU	Project Implementation Unit
LLRP	Land Use and Livelihood Restoration Plan
LLRF	Land Use and Livelihood Restoration Framework
RS	Republika Srpska
SEA/SH	Sexual Exploitation and Abuse / Sexual Harassment
WB	World Bank

List of Definitions of Terms Used in this Document

Census Survey and Baseline Socio-Economic Study	<p>The census identifies affected persons, and includes pertinent demographic (age, gender, family size, births, and deaths) and related social and economic information (ethnicity, health, education, occupation, income sources, livelihood patterns, productive capacity, and so forth). The census helps to determine eligibility of affected persons. It includes undertaking an inventory and valuation of assets and establishing, documenting, and making known the rights of those affected.</p> <p>The information gathered in connection with the census is the baseline, which serves as a reference point against which income restoration and the results of other rehabilitation efforts can be measured.</p>
Cut-Off Date	The date after which anyone who moves into the project area is no longer entitled to compensation and/or assistance. It is intended to help prevent encroachment by opportunistic settlers.
Economic Displacement	Loss of assets or access to assets which affects livelihoods or income generation as a result of the project. People or enterprises may be economically displaced with or without experiencing physical displacement.
Entitlement	Compensation and assistance which affected people have the right to receive during resettlement. Entitlements are defined for each individual project, and are listed in the form of an Entitlements Matrix, i.e. a table containing information on who is entitled to what type of compensation and/or assistance.
Land Acquisition	Refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way. Land acquisition may also include: (a) acquisition of unoccupied or unutilized land whether or not the landholder relies upon such land for income or livelihood purposes; (b) repossession of public land that is used or occupied by individuals or households; and (c) project impacts that result in land being submerged or otherwise rendered unusable or inaccessible. "Land" includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and appurtenant water bodies.
Land Use	Refers to all ongoing uses of land that may change for the project purposes on which individuals or communities may depend for livelihood purposes or have any other claims.
Livelihood	Refers to the full range of means that individuals, families and communities utilize to make a living, such as wage based income, agriculture, fishing, foraging, other natural resource-based livelihoods, petty trade and bartering.
Market Value	Value calculated based on prices of property in the area in which the particular property is acquired, which can be achieved for a particular property on the market, depending on supply and demand at that moment of setting the price.
Moving Allowance	Cash compensation for costs directly associated to moving/relocation of a household or business.
Physical Resettlement/ Displacement	Loss of house/apartment, dwelling or shelter as a result of project-related land acquisition which requires the affected person to move to another location. Activities which require physical resettlement and new land acquisition will be excluded from the scope of this project.
Project Affected People (PAP)	Any person who, as a result of the land acquisition required by the project, loses the right to own, use, or otherwise benefit from a built structure, land, annual or perennial crops and

	trees, or any other fixed or moveable asset, either in full or in part, permanently or temporarily.
Replacement Cost	<p>Defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets acceptable minimum community standards of quality and safety.</p> <p>The valuation method for determining replacement cost should be documented and included in relevant land Use and livelihood restoration planning documents. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons. To ensure compensation at replacement cost, planned compensation rates may require updating in project areas where inflation is high or the period of time between calculation of compensation rates and delivery of compensation is extensive.</p>
Restrictions on Land Use	Refers to limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of the project. These may include restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, restrictions on land use within utility easements or safety zones.
Land Use and Livelihood Restoration Framework (LULRF)	<p>A document developed when the exact nature or magnitude of the change in land use imposed by the project with potential to cause adverse impact and/or economic displacement is unknown due to the project development stage. The purpose of a framework is to clarify land use and livelihood restoration principles, organizational arrangements, and design criteria to be applied to subprojects to be prepared. Activities which require physical resettlement and new land acquisition will be excluded from the scope of this project.</p> <p>Once the subprojects and individual project components are defined and the necessary information becomes available, the framework is expanded into a specific plan proportionate to potential risks and impacts (see item Land Use and Livelihood Restoration Plan below).</p>
Land Use and Livelihood Restoration Plan (LULRP)	<p>The document in which a client specifies the procedures it will follow and the actions it will take to mitigate adverse effects, compensate losses and provide development benefits to persons and communities affected by land Use changes imposed by the project.</p> <p>Land Acquisition and Livelihood Restoration Plans are prepared for any project that results in economic or physical displacement. The scope and level of detail of the plan varies with the magnitude of displacement and complexity of the measures required to mitigate adverse impacts. Activities which require physical resettlement and new land acquisition will be excluded from the scope of this project.</p>
Negotiated Settlements	Refers to situations where the Borrower needs to acquire specific land or restrict its use for project purposes, but rather than doing so through an expropriation proceeding, the Borrower first tries to arrive at a mutually agreeable negotiated settlement with the landowner/user. As explained in footnote 8, in many cases, both parties might find it advantageous to reach a negotiated settlement to avoid the delays and transaction costs

	associated with the full judicial or administrative process of expropriation or compulsory acquisition. In fact, many national laws require governments to first explore this more consensual approach.
Security of Tenure	Means that resettled individuals or communities are resettled to a site that they can legally occupy, where they are protected from the risk of eviction and where the tenure rights provided to them are socially and culturally appropriate. In no event will resettled persons be provided tenure rights that are in effect weaker than the rights they had to the land or assets from which they have been displaced.
Vulnerable Individuals / Groups	<p>Vulnerable people are people who by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage, or social status, may be more adversely affected by resettlement than others and who may be limited in their ability to claim or take advantage of resettlement assistance and related development benefits.</p> <p>Groups or persons who may be particularly vulnerable include, but are not limited to:</p> <ul style="list-style-type: none"> ▪ poor people ▪ people with disabilities ▪ refugees and internally displaced people ▪ children, women, the elderly or ill persons ▪ households whose heads are children or female ▪ households who have no or have very limited resources ▪ ethnic minorities (such as Roma people or others) ▪ people without land or use rights under local legislation

1. INTRODUCTION

1.1 Brief Description the Project

1.1.1 Objectives

The World Bank (WB) is considering to support Bosnia and Herzegovina (BiH) through the support the State level of BiH and the Federation of BiH to a Just Transition in BiH for improved social and environmental outcomes. The Project is designed to achieve its objectives through the **four components**.

1.1.2 Components

The proposed components and sub-components of the Project that will be implemented in BiH are briefly described in the table below.

Component	Sub-component	Sub-component description
Component 1: Institutional Strengthening and Project Management	Sub-component 1.1: State – level Measures on Just Transition	<ul style="list-style-type: none"> – Committee on Just Transition – Annual Just Transition Forum
	Sub-component 1.2: FBiH-level Measures on Just Transition:	<ul style="list-style-type: none"> – Institutional Strengthening for a Just Transition in FBiH – Policy Development, Legal and Regulatory Updates
Component 2: Repurposing of Post-Mining Lands (Banovici and Kreka) and Closure of Select Underground Works, Zenica)	Sub-component 2.1: Assessing, Planning and Executing Repurposing	Assessing, Planning and Executing Repurposing
	Subcomponent 2.2: Planning and Executing Closure of Select Underground Work(s)	Closure plan for selected underground work in Zenicaj Mine Closure of the Raspotočje pit of Zenica mine
Component 3: Renewable Power Generation in RMU Banovici and Kreka Mine		Installation of 27 MWp PV across two locations on existing mine sites with capacity to generate more than 30GWh of electricity annually
Component 4: Support to Labor Transition in Banovici and Zenica Mines	Sub-component 4.1: Financial Obligations	Finance of Zenica mine’s obligations (social arrears and statutory severance payments for involuntary separations) towards retrenched employees to ensure their access to social insurance and adequate social protection during transition
	Sub-component 4.2: Support the Transition of Mine Workers	<ul style="list-style-type: none"> – Establishment of In-House Labor Transition Units in the departments for HR – Voluntary separation incentives and productive measures to support the transition of mine workers – For Zenica workers involuntarily separated and nearing retirement age, the project proposes a top-up to separation packages for income-support
	Subcomponent 4.3: : Community-delivered productive measures for affected unemployed workers and community engagement	<ul style="list-style-type: none"> – Pilot new redeployment measures relevant for coal-mine communities – Assist Banovici municipality in collaborating with the diaspora to attract foreign investment and provide technical and institutional support to local firms – Raise awareness of the forthcoming transition process

1.1.3 Implementation arrangements for the Entire Project

The Project will be managed by FMERI through a Project Implementation Unit (PIU), supplemented by Project Management Teams (PMTs) in RMU Banovici and EPBiH. The PIU in FMERI will be established no later than one month following the Effective Date of the project and will include several key members. The PIU will be responsible for channeling resources to the PMTs to strengthen them as required. The PMTs will provide technical support to the PIU for the activities relevant to their respective companies. Also, Intersectoral Ministerial Committee – Federation of BiH Steering Committee (SC) will be established, to support Energy Sector Just Transition Project in FBiH, appointed by the Decision made by the Government of the Federation of Bosnia and Herzegovina and consisting of the Prime Minister and Ministers of the relevant Ministries, with the below defined responsibilities.

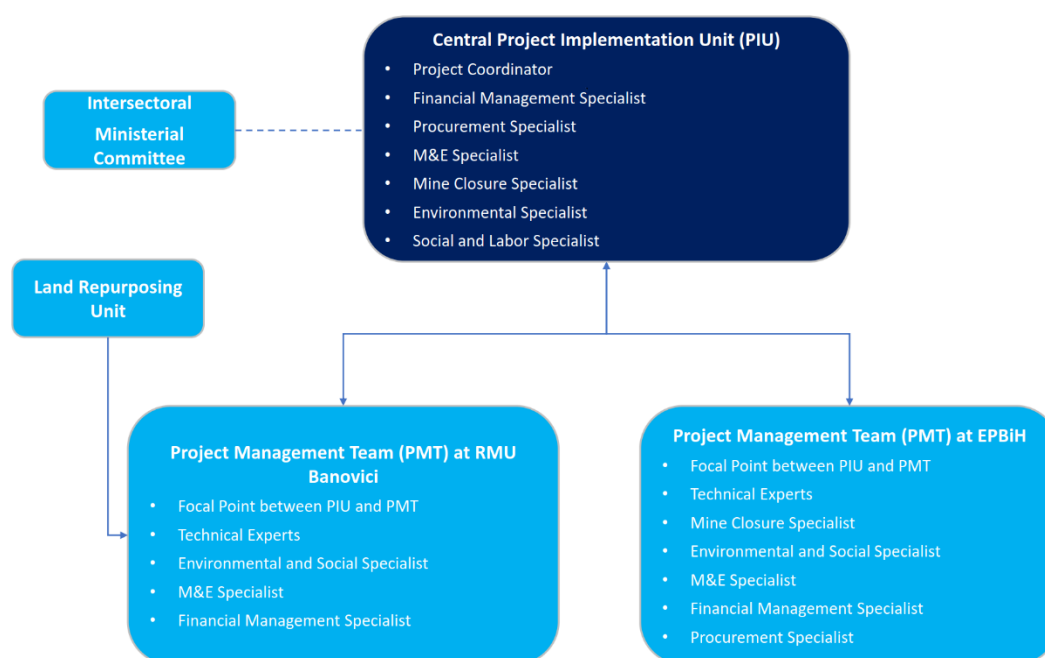


Figure 1 Proposed project implementation arrangements

The establishment of a **Committee on “Just Transition”** is foreseen, appointed by the Council of Ministers of Bosnia and Herzegovina, in close cooperation with the two entities and Brčko District of Bosnia and Herzegovina.

In addition, the project will support an annual **Forum on Just Transition** to promote and exchange knowledge and experience, and discuss issues related to Just Transition. The Ministry of Foreign Trade and Economic Relations (MOFTER) will lead implementation of these activities. The project will support costs related to the Secretariat function of the Committee and the annual Forum. These costs will be financed by the additional grant that is still to be identified and secured.

An Inter-Sectoral Ministerial Committee – Federation of BiH Steering Committee (SC) will be established, consisting of the Prime Minister and Ministers of the relevant Ministries. The committee will: (i) coordinate with vertical and horizontal levels of governments the activities related to development of Just Transition projects in the Federation of Bosnia and Herzegovina; (ii) provide maximum contribution and invest efforts to meet joint objectives, needs and directions by proposing

activities, which fall under its responsibility, towards Just Transition projects development in the Federation of Bosnia and Herzegovina; (iii) follow up preparation and development of energy sector just transition strategic documents in the Federation of Bosnia and Herzegovina; (iv) provide contribution to activities under FMERI Minister's actual responsibilities related to preparation and closure of mines in the Federation of Bosnia and Herzegovina; and (v) by its activities, contribute to mobilization of financial resources necessary for energy sector just transition in Bosnia and Herzegovina. A Post-Closure Mine Monitoring Unit will be established under the JP EPBiH with links to the Cantonal ministry to maintain and monitor closed coal mines to ensure public safety and environment

In-House Labor Transition Units (LTUs) in the mine's HR departments will be established, to provide coordinated support before layoffs, prepare workers for a labor transition ahead of layoffs, and to initiate coordination with municipality and local employment offices. LTUs will be established in Banovići and Zenica mines, complemented by a focal point for EPBiH at their headquarters. LTUs will provide information on rights, support programs, labor market information, along with non-technical skills training and career counseling. They will also identify workers eligible for additional project-funded redeployment measures, such as upskilling and outplacement to ease their transition.¹ Approximately 100 workers from the Zenica mine will benefit from these additional redeployment measures.

1.1.4 Timeline and Budget for the Entire Project

The project consists of four components, and the project timeline is 5 years..

The total cost of the Project is US\$ 87,068 M, distributed by components as follows:

Component 1: Institutional Strengthening and Project Management (US \$4.8M, IBRD)

Component 2: Repurposing of Post-Mining Lands (Banovici and Kreka) and Closure of Select Underground Works (Zenica) (US \$16,76 M, IBRD)

Component 3: Renewable Power Generation in RMU Banovici and Kreka Mine (US \$33,70 M, IBRD)

Component 4: Support to Labor Transition and Community in Banovici and Zenica Mines (S \$31,80M, IBRD)

1.2 Scope and Purpose of the Land Use and Livelihood Restoration Framework

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

- the national legislation in force, and
- The World Bank Environmental and Social Framework, specifically its Environmental and Social Standard 5: “Land Acquisition, Restrictions on Land Use and Involuntary Resettlement” (ESS5)².

Land acquisition refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of property and acquisition of access rights, such as easements or rights

¹ These services can include (i) intensive individual career counselling, (ii) outplacement services, (iii) retraining and upskilling based on labor demand or, (iv) entrepreneurship training, based on needs. In addition, depending on an ongoing survey to assess workers' preferences for alternative employment, this may include the option of providing mobility grants to incentivize individuals to relocate to regions with higher demand for the worker's labor.

² Available in English at: <http://pubdocs.worldbank.org/en/837721522762050108/Environmental-and-Social-Framework.pdf>

of way. Land acquisition may also include: (a) acquisition of unoccupied or unutilized land whether or not the landholder relies upon such land for income or livelihood purposes; (b) repossession of public land that is used or occupied by individuals or households; and (c) project impacts that result in land being submerged or otherwise rendered unusable or inaccessible. “Land” includes anything growing on or permanently affixed to land, such as crops, buildings.

Restrictions on land use refers to limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of the project. These may include restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, restrictions on land use within utility easements or safety zones.

Involuntary resettlement: Project-related land acquisition or restrictions on land use may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, including those that lead to loss of income sources or other means of livelihood), or both. The term “involuntary resettlement” refers to these impacts. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement.

The Land Use and Livelihood Restoration (LULRF) has been prepared as the exact locations of subprojects, potential land impacts and the extent of land use and livelihood restoration including economic displacement, have not yet been defined. Activities which require physical resettlement and new land acquisition will be excluded from the scope of this project. However, there is a risk of informal use of the existing land within the mine site, which may cause economic resettlement of the affected people.

Once the specific locations and impacts become known, the LULRF will guide the preparation of Land Use and Livelihood Restoration Plans (LULRPs) where applicable. LULRPs will be prepared for all subprojects that entail Change of land Use, loss of access to land or economic resettlement in order to satisfy the provisions of ESS5 and the requirements of local legislation regarding land use. Project activities that will cause physical and/or economic displacement will not commence until such specific plans have been finalized and approved by the Bank.

The scope of requirements and level of detail of the LULRPs will vary with the magnitude and complexity of land use and livelihood restoration. LULRPs will be based on up-to-date and reliable information about:

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

The minimum elements of an RP according to ESS5 have been explained in **Annex 1** to this document.

1.3 Potential for Land Use/and the Screening Process

Planned activities under the Project activities suggest that informal uses are occurring on the proposed site, requiring RMU Banovici and RMU Zenica to follow the World Bank’s environmental and social safeguards (The Environmental and Social Standard on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement (ESS5), which may include acquisition of access rights, such as easements or rights of way and restrictions on land use. The legal status of the lands, among other aspects, would also be finalized during the assessment and planning for land repurposing stage. Planned

activities under other Project components and sub-components will not require land acquisition/resettlement. Activities which require physical resettlement and new land acquisition will be excluded from the scope of this project.

Because of these knowledge gaps this Land Use and Livelihood Restoration Framework (LULRF) rather than Land Acquisition and Livelihood Restoration Plans (LULRPs) is prepared to establish Land Use and Livelihood Restoration principles, organizational arrangements, and design criteria to be applied to subprojects, and to mitigate potential change inland Use and livelihood impacts.

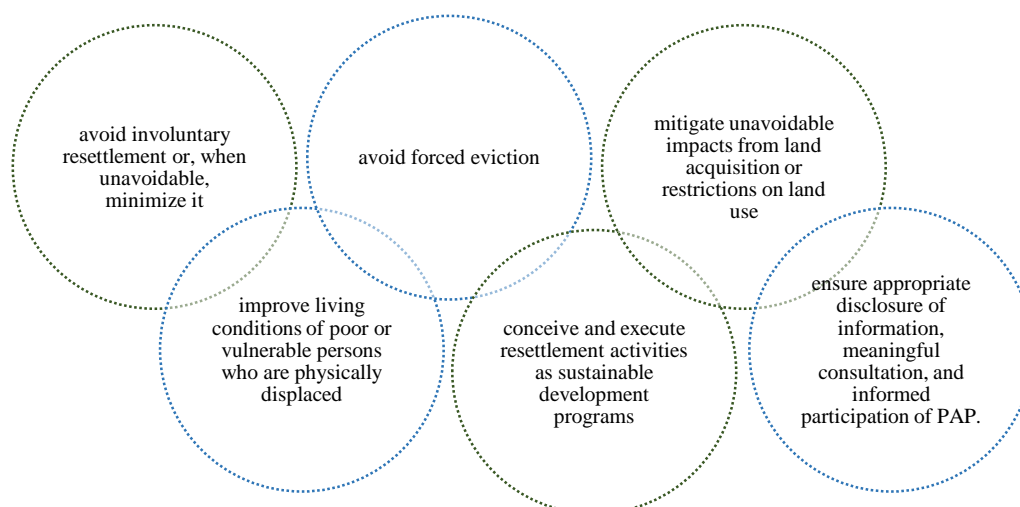
Prior to the submission of sub-projects for funding consideration, the proposed sub-projects have to be screened to assess to what extent the change in land use may be required. It is important to take into consideration during such screening that even though the planned project activities may not lead to impacts in terms of expropriation or physical displacement, some activities may involve temporary land acquisition or temporary occupation of land, which impacts will be managed and mitigated in compliance with this LULRF.

Following the screening process and determination of potential impacts, the PIU shall report the findings of the screening process to the World Bank and prepare site-specific LULRPs, ensuring that all project activities adhere to the requirements of this LULRF. No physical and/or economic displacement will occur until such plans have been finalized under due procedure, consideration of engagement and consultation requirements and approved by the WB, nor land will be taken or use of any land will be restricted.

2. LEGAL FRAMEWORK

2.1 World Bank Requirements

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



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

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

The key requirements of ESS5 may be summarized as follows:

Involuntary resettlement should be avoided where possible. Where unavoidable, it will be minimized and appropriate measures to mitigate adverse impacts on displaced persons (and on host communities receiving displaced persons) will be carefully planned and implemented.

All feasible alternative project designs should be considered to avoid or minimize land acquisition or restrictions on land use, while balancing environmental, social and financial costs and benefits, and paying particular attention to gender impacts and impacts on the poor and vulnerable.

Negotiated settlements with affected persons are encouraged to help avoid administrative or judicial delays associated with formal expropriation, and to the extent possible to reduce the impacts on affected persons associated with formal expropriation;

When land acquisition or restrictions on land use cannot be avoided, the Borrower will offer affected persons compensation at replacement cost, and other assistance as may be necessary to help them improve or at least restore their standards of living or livelihoods;

The Borrower will not resort to forced evictions of affected persons. "Forced eviction" is defined as the permanent or temporary removal against the will of individuals, families, and/or communities from the homes and/or land which they occupy without the provision of, and access to, appropriate forms of legal and other protection. The exercise of eminent domain, compulsory acquisition or similar powers by a Borrower will not be considered to be forced eviction providing it complies with the requirements of national law and the provisions of ESS5, and is conducted in a manner consistent with basic principles of due process.

Disclosure of relevant information and meaningful participation of affected communities and persons will take place during the consideration of alternative project designs, and thereafter throughout the planning, implementation, monitoring, and evaluation of the compensation process, livelihood restoration activities, and relocation process;

The Borrower will ensure that a grievance mechanism for the project is in place as early as possible in project development to address specific concerns about compensation, relocation or livelihood restoration measures raised by displaced persons (or others) in a timely fashion.

Where land acquisition or restrictions on land use are unavoidable, the Borrower will conduct a census to identify the persons who will be affected by the project, to establish an inventory of land and assets to be affected, to determine who will be eligible for compensation and assistance, and to discourage ineligible persons, such as opportunistic settlers, from claiming benefits.

2.2 National Legal Framework

BiH has a governmental structure comprising of two Entities: The Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS). Both State level and Entities have their own constitutional, legislative, executive and judicial powers. In further development, the Brcko District³ was constituted, which is a single administrative unit of local self-government under the sovereignty of BiH, covering less than 1 percent of the total area of BiH. The FBiH is further decentralized into ten Cantons, each with its own government. At the local level, there are 79 municipalities/cities in FBiH. In addition to the Constitution of Bosnia and Herzegovina, each Entity has its own Constitution, and each of the 10 Cantons in the Federation of BiH also have Constitutions.

- **Constitution of Bosnia and Herzegovina⁴** stipulates:
 - Preamble: The Constitutional economic goal and principle to "**promote general welfare and economic growth through the protection of private property and the promotion of a market economy**";
 - Article I.4: **guarantees the free movement of persons, goods, services and capital** throughout Bosnia and Herzegovina;
 - Article III 2: **Bosnia and Herzegovina and its Entities are obliged to ensure the highest level of internationally recognized human rights and fundamental freedoms** (Article III.1); the rights and freedoms provided for in the European Convention for the Protection of Human Rights and Fundamental Freedoms and its protocols are directly applicable in Bosnia and Herzegovina, and these acts have priority over all other laws; The right to property is listed as one of thirteen fundamental human rights;
- **Constitution of Federation of Bosnia and Herzegovina⁵** stipulates:

Article II.2: The Federation will ensure the application of the highest level of internationally recognized rights and freedoms established in the documents listed in the Annex to this Constitution. In particular: (...) the **right to property** is listed under the sub-paragraph k).

Matters related to real estate's right, real estate registration and expropriation are regulated on the level of Entities in BiH. Table 1 below presents the relevant legal framework in FBiH.

³ Established on the basis of the Decision of the Special Arbitration Court, and later amendments to the Constitution of BiH.

⁴ The Constitution of BiH is an integral part of the Framework Agreement for Peace in Bosnia and Herzegovina (Annex IV to the Framework Agreement).

⁵ Constitution of Federation of BiH ("Official Gazette of FBiH", No. 1/1994, 1/1994 - Amendment I, 13/1997 - Amendments II-XXIV, 13/1997 - Amendments XXV and XXVI, 16/2002 - Amendments XXVII-LIV, 22/ 2002 - Amendments LVI-LXIII, 52/2002 - Amendments LXIV-LXXXVII, 60/2002 - Amendment LXXXI, 18/2003 - Amendment LXXXVIII, 63/2003 - Amendments LXXXIX-XCIV, 9/2004 - Amendments XCV-CII, 32/2007 - amended, 20/2004 - Amendments CIII and CIV, 33/2004 - Amendment CV, 71/2005 - Amendments CVI-CVIII, 72/2005 - Amendment CVI, 88/2008 - Amendment CIX, 79/2022 - Amendments CX-CXXX, 80/2022 - amended and 31/2023 - Amendment CXXXI);

Table 1: Legal framework in FBiH

Key aspects of the Law	Provisions of the FBiH Laws
	The Law on Expropriation of FBiH⁶
Public interest and Purpose of Expropriation	<p>Property can only be expropriated for projects of public interest to the Federation, its cantons or municipalities, i.e. where public interest has been established and in accordance with the physical plans of the area (article 5).</p> <p>Public interest is defined as situations where “it is assessed that using the real property for which expropriation is proposed shall produce a greater benefit than would be produced if the real property continued to be used in the previous manner”. Typical public interest activities that can entail expropriation are the construction of roads, construction of commercial, municipal, or health services, educational, cultural, administration, defense or other structures of public interest” (article 3).</p> <p>Public interest is usually, but not exclusively, declared to the benefit of public entities of the Federation, Cantons, Municipalities, Cities, public companies, their 100% owned subsidiaries and public institutes, if not otherwise specified by law (beneficiary of expropriation). Exceptionally, expropriation may establish usufruct for the benefit of citizens for the purpose of installing water and sewage pipelines, electric and telephone cables, gas pipelines, and other cases provided for under the Law (article 6).</p> <p>Establishment and declaration of public interest: Decision on Establishing Public Interest, upon the proposal of the expropriation beneficiary submitted along with the Expropriation Study, is issued by: the Government of FBiH when construction or works are being carried out on the territory of two or more Cantons (based upon the prior opinion of Cantonal governments), the government of Cantons when construction or works are to be carried out on the territory of two or more Municipalities (upon the prior opinion of municipal councils), or the Municipality when construction or works are being carried out on the territory of the municipality (article 16).</p>
Expropriation procedure	<ul style="list-style-type: none"> – In preparation for the expropriation, the expropriation beneficiary may request, for the purpose of preparing an investment study, or submitting a proposal for the establishment of public interest or submitting a proposal for expropriation, to be allowed to perform the necessary preparations on designated property, in accordance with the procedure set out in the Law. The proposal is submitted to the Municipal Administration for Ownership Affairs (“Municipal Administration”) (Article 17). – The relevant authority issues the Decree on Establishing Public Interest

⁶ Official Gazette of FBiH, No. 70/07, 36/10, 25/12, 34/16

Key aspects of the Law	Provisions of the FBiH Laws
	<ul style="list-style-type: none"> <li data-bbox="416 309 1394 416">– The expropriation beneficiary is required to publish a public announcement to invite the property owners and try to reach a prior amicable sale-purchase agreement with the affected owner (article 23). <li data-bbox="416 443 1394 667">– The expropriation beneficiary submits a proposal for expropriation to the Municipal Administration, along with the required documentation set out in Article 24 of the Law. If deemed necessary, the proposal may contain a request for temporary occupation of other land needed for the construction of the facility or carrying out works in public interest. This request may also be submitted as a separate proposal. <li data-bbox="416 694 1394 846">– The Municipal Administration is obliged to notify the owner of the property, without delay, of the submitted proposal for expropriation. The expropriation notice is entered into the land register and other registers upon the request of the expropriation beneficiary (article 25). <li data-bbox="416 873 1394 1025">– The expropriation beneficiary and the owner of property may also conclude an amicable sale-purchase agreement <i>after</i> the submission of the proposal for expropriation, i.e. up to the validity of the Decision on Expropriation issued by the Municipal Administration (article 26). <li data-bbox="416 1052 1394 1227">– The Municipal Administration is obliged to hear the owner of the property in regard to the expropriation facts (Article 27). In the event that the land registry entry does not correspond to the actual ownership situation (often the case), the municipal department should sort out the ownership issues prior to proceeding with further steps. <li data-bbox="416 1254 1394 1518">– The Municipal Administration issues a Decision on Expropriation, after completing the proceedings on an urgent basis (article 28). Appeal against this Decision may be submitted to the Federal Administration for Geodesy and Legal Property Affairs (article 30). If there is a discrepancy between the land registry and the factual situation on the property (which is often the case), the municipal administration service will discuss the right of ownership as a preliminary issue. <li data-bbox="416 1545 1394 1697">– When the Decision on Expropriation becomes enforceable, the Municipal Administration is obliged to convene and hold a hearing to determine the compensation for the expropriated real property through an agreement, and without delay (article 60). <li data-bbox="416 1724 1394 2024">– If no agreement on compensation is reached within 2 months of the validity of the Decision on Expropriation (or less if the Municipal Administration decides as such), the Municipal Administration submits the valid Decision together with other relevant documents to the competent Court, at the territory of which the expropriated real property is located, for the purpose of determining the compensation. The competent court <i>ex officio</i> decides in non-contentious proceedings on the amount of compensation for the expropriated real property (62).

Key aspects of the Law	Provisions of the FBiH Laws
	<ul style="list-style-type: none"> – For reasons of urgency and in order to avoid major damage, the expropriation beneficiary may take possession of the expropriated land even before the decision on expropriation becomes final and before the compensation is paid, but exclusively on the basis of a decision by the Government of BiH in case of construction or reconstruction of public infrastructure (road, energy, utility, etc.), and provided that the special requirements prescribed by law have been met. Prior to submitting a request to gain access to the property, the expropriation beneficiary shall present to the owner the reasons for the urgency and an offer for a negotiated settlement that allows an early access to the property. The request for an early access to property is submitted to the Administrative Commission of the Government of FBiH, while the Federation Administration for Geodetic and Real Property Affairs prepares the proposed decision. If the case involves expropriation of a residential or commercial structure, the expropriation beneficiary may not file a request for an early access unless a replacement property is secured. – Formal transfer of legal ownership in the land register is carried out on the basis of a valid Decision and proof of payment of compensation or proof that the previous owner has acquired ownership over other corresponding real property.
Types of Expropriation	<p>Full 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 cease to exist.</p> <p>Partial expropriation provides the beneficiary with usufruct rights on the land and structures, as well as the lease of land for a definite period of time - at the end of the lease, usufruct rights over land are returned to the previous owner. Partial expropriation is subject to the possibility that the land can be fully restored and the lease not being more than five years.</p> <p>However, owners that are affected by a partial loss of their properties are entitled to request complete expropriation and the corresponding compensation, in case partial expropriation would deteriorate the economic situation of the real property owner or make the remaining part of the real property useless or difficult to use. Such landowners must be informed about this entitlement by the official managing the expropriation process (article 10).</p>
Compensation	<p>The Law provides that <u>compensation arrangements must be settled prior to formal transfer of ownership</u> of the expropriated property. Compensation to affected people is provided by the expropriation beneficiary. A general principle of the Law is that <u>compensation should be provided at market value</u>. The market value is calculated based on the price in the territory in which the real property is to be expropriated, which may be achieved for a specific real property on the market, and which depends on the ratio of offer and demand at the time of its determination. Compensation for land is based on the type of land (agricultural land, forests,</p>

Key aspects of the Law	Provisions of the FBiH Laws
	<p>orchards, etc.) and the related benefits that the owner would obtain if there were no expropriation.</p> <p>Pursuant to article 45, the owners of informally built structures (i.e. structures built without the necessary construction permits) are not entitled to receive the compensation; however, the owners of informal structures may demolish the structure and take away the materials within the time set by the responsible administrative department; otherwise, the structure shall be removed at the expense of the owners of informally built structures. The exception from this rule is when an informally built residential building is the only residential building the owner and their closest family members (right to home) 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:</p> <ul style="list-style-type: none"> ▪ that the responsible authority had not passed a final decision to remove the building; ▪ that the informally built structure is registered in the official Aerial survey of the territory of FBiH; ▪ that the informal building is the only home of the owner of the informally built structure and members of their closest family, or their heirs. <p>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 taken into account when determining the compensation extent⁷ (Article 47). This Article addresses livelihood restoration beyond the sheer compensation of the lost asset by providing flexibility based on a case-by-case assessment of personal circumstances. Businesses and their specific livelihood restoration requirements are explicitly addressed by Article 47.</p>
	<p>The <i>Law on Proprietary Rights</i>⁸ regulates the general issues of acquiring, using, disposing of, protecting and terminating ownership rights and other proprietary rights and possession rights, including the issues of restricting such rights, the right of servitude, co-ownership and joint ownership rights, the procedure for acquiring property rights over land and/or structures erected on someone else's land. The Law states that ownership rights and other proprietary rights may only be limited or taken away in public interest and under the conditions defined by the Law in accordance with the principles of international law. The law, in the public interest, and especially for the protection of natural resources, the environment, of people's health, cultural-historical heritage, etc., may limit or specifically regulate the way use and disposal of certain things (article 2).</p>

⁷ Article 47: "Personal and other family conditions of the previous owner of the expropriated real property shall be taken into consideration as a corrective for an increase in the amount of determined compensation if those conditions are of great importance for the subsistence of the previous owner, and in particular if his/her subsistence has been endangered due to the expropriation of a larger part or the entire land or business premises in which the previous owner legally performed a business activity, as well as in the case where due to the expropriation members of an agricultural household have to move from the territory where they had lived."

⁸ Official Gazette of FBiH, No. 66/13, 100/13;

Key aspects of the Law	Provisions of the FBiH Laws
	<p>The right of ownership is acquired on the basis of a legal transaction, law, court decision or other authority organs and by inheritance, with the fulfillment of the assumptions prescribed by law (article 23).</p> <p>(Usucapio: acquisition of ownership of something through possession). A significant provision of the Law is that occupants of property acquire ownership rights upon 10 years of conscientious and legal occupancy, or upon 20 years of conscientious occupancy (article 58).</p> <p>In addition, the Law provides that the conscientious builder of a structure on land owned by another person is entitled to acquire such land, if the land owner did not oppose to the construction. The land owner is in this case entitled to request to be compensated for the market value of the land (article 59).</p>
	<p>Law on Mining of FBiH⁹: Remediation and technical reclamation of land damaged by mining operations is one of the mining activities under this Law. Upon completion of the mining activities involving land use, the concessionaire is obliged to carry out final rehabilitation of the land and reclamation of the environment and eliminate the consequences caused by the performance of mining works, based on the <i>rehabilitation and reclamation project</i> (article 59).</p> <p>Provisions on the obligation to reclaim the soil during and after exploitation, in addition to the Law on Mining, are determined also by other regulations, such as Law on Environmental Protection¹⁰.</p>
	<p>The Law on Agricultural Land of FBiH¹¹ regulates the basic principles and management of agricultural land, protection, use, arrangement, disposal, records of that land, and other matters. It is significant with several aspects:</p> <p>Foreign citizens cannot acquire ownership of agricultural land by legal business or transactions, but it is possible by inheritance (article 99 of the Law on Agricultural Land).</p> <p>The Law provides that a right of way may be established on agricultural land, as decided by the city or municipal council. The owners of such land are entitled to compensation in accordance with the Law on Expropriation.</p> <p>Article 94 of the Law on Agricultural Land stipulates that agricultural land used for the exploitation of mineral and other substances, which does not have a permanent character, is brought to the appropriate purpose, ie to be provided for agricultural production according to the project of agricultural land reclamation prepared by registered scientific and professional institutions. Federal Ministry of Agriculture has issued an Instruction on the mandatory uniform methodology for</p>

⁹ "Official Gazette of the FBiH", No. 26/10;

¹⁰ "Official Gazette of the FBiH", No. 15/21;

¹¹ "Official Gazette of FBiH", No. 52/09;

Key aspects of the Law	Provisions of the FBiH Laws
	<p>the preparation of reclamation projects, which prescribes the content and stages of project development.</p> <p>Agricultural land shall not be used for non-agricultural purposes nor may its repurpose unless the spatial planning documentation of the Federation and Cantons are agreed in accordance with the provisions of the Law on Spatial Planning and Land Use at the level of the Federation of BiH, and if agricultural consent¹² has not been obtained on the basis of the Law on Agricultural Land.</p>
	<p><i>Law on Spatial Planning and Land Use at the FBiH level</i>¹³ regulates planning of land at the Federation of BiH level, drafting and adoption of planning documents and their implementation, type and content of planning documents in the Federation of BiH.</p> <p><u>According to the Law, land use must be in accordance with the planning documents.</u> Land use means construction of buildings and execution of other interventions in space. <u>Construction of the building</u>, in terms of the Law, implies the following: construction of a new building, reconstruction, extension, upgrade, repair, rehabilitation, performing other interventions in the area, building removal, preparatory works, <u>change of purpose of buildings or land</u> and building temporary buildings, except for routine maintenance works, rehabilitation operations which can be seen as an ongoing maintenance and upkeep of buildings.</p> <p>The Law regulates the spatial plans of the Federation of BiH, Cantons and Municipalities, and other planning documents and their content. These plans contain the main purpose of the land, the manner and scope of use of mineral raw materials, environmental protection measures, measures for the restoration and rehabilitation of space, etc. The planning documents takes into account: public interest, general and special goals of spatial development, coordination of sectorial policies, harmonization of individual interests with public interest, necessary measures to protect residents and material goods from natural and man-made disasters.</p> <p>Cantonal spatial plans in particular contain basic purpose of the land which can be agricultural, forest, land, and water and other surface ways, and manner and extent of the exploitation of mineral resources, environmental protection measures with the deployment of structures that can significantly endanger the environment, etc. (article 14 of the Law). Federal and Cantonal plans also determine protected areas and individual protected values; infrastructure systems; exploitation fields and other lands and areas reserved for development.</p>

¹² The agricultural consent is an administrative act, issued at the request of the client and issued in the form of a decision, after submitting proof of payment of the fee for changing the purpose of agricultural land no later than 30 days from the date of application. The consent is issued by the Cantonal ministries in charge of agriculture.

¹³"Official Gazette of the FBiH", No. 2/06, 72/07, 32/08, 4 / 10, 13/10 and 45/10;

Key aspects of the Law	Provisions of the FBiH Laws
	<p>Municipal spatial plans are made on the basis of the Spatial Plan of the Canton and the Program of Measures of the Canton, taking into account the natural, cultural-historical and landscape values of the area of the municipality. The spatial plan of the municipality may also contain other elements of importance for the municipality that are not in conflict with the Spatial Plan of the Canton (Article 15 of the Law).</p> <p>In addition to the above plans, there is also an urban plan, regulation plan, zoning plan and urban project. The content of these plans is elaborated in more detail by the cantonal laws on spatial planning.</p>
	<p>The <i>Law on Construction Land of FBiH</i>¹⁴ allows for the legalization of informally constructed structures on construction land in state ownership on which a structure has been built (art 61). This Law enables the subsequent issuing of a permit for construction, by the Municipal Council, in accordance with the Law on Spatial Planning. Legalization of informally constructed buildings is further regulated by decrees taken at Cantonal level, and implemented at Municipality level.</p>
	<p>The <i>Law on Administrative Proceedings of FBiH</i>¹⁵ is applied in the procedure of expropriation as a subsidiary law to the <i>Law on Expropriation</i>. It regulates the procedures the administrative authorities apply when deciding on rights and obligations of the citizens. Parties have the right to appeal the decisions issued in the first instance. The law offers the opportunity of appointing the temporary representative if, for example, the residence of the owner of property being expropriated is unknown. The temporary representative shall be appointed by the body conducting the procedure if so required by the urgency of the case. If the temporary representative were appointed to act on behalf of a person whose residence is unknown, the authority conducting the procedure shall publish their conclusion on the bulletin board or in another usual way (in newspapers or other media outlets).</p>
	<p>The <i>Law on Bases of Social Welfare, Protection of Civilian Victims of War, and Protection of Families with Children</i>¹⁶ regulates social protection and aims at ensuring social protection to its citizens and their families that are in social need. Individuals and families in need are entitled to temporary, one-time and other types of monetary assistance, as well as other types of assistance. Right to such assistance may be asserted before the responsible body of the municipality where the person and family reside.</p>
	<p>The <i>Law on Land Registry of FBiH</i>¹⁷ regulates keeping, maintaining and establishing land register, as well as entry of property and rights on properties in such land register. The right of ownership and other proprietary rights are acquired</p>

¹⁴ Official Gazette of FBiH, No. 25/2003, 16/2004 - correction, 67/2005 and 94/2018 – Constitutional Court Decision;

¹⁵ Official Gazette of FBiH, No. 2/98, 48/99;

¹⁶ Official Gazette of FBiH, No. 36/99, 54/04, 39/06, 14/09, 45/16 and 40/18;

¹⁷ Official Gazette of FBiH, No. 19/03, 54/04;

Key aspects of the Law	Provisions of the FBiH Laws
	<p>by registration in the land register. In the procedure of expropriation, the final decision on expropriation accompanied with the evidence of payment shall be considered the grounds for registration of the expropriation beneficiary as the owner.</p>
	<p>The <i>Law on Non-Litigation Proceedings of FBiH</i>¹⁸ stipulates the rules the courts apply in proceedings and decision-making process on individual, family, property and other rights or legal interest, which are under the law resolved in non-litigation proceedings.</p> <p>The courts establish the amount of compensation for the expropriated property in non-litigation procedure. The parties may conclude an agreement on the form and scope of compensation, i.e. the amount of the compensation, and the court passes the decision that is based on their agreement, if it finds the agreement compliant with the regulations defining ownership relations.</p>
<p>Concessions¹⁹</p>	<p><i>Law on Concessions in FBiH</i>²⁰:</p> <p>Mines in FBiH operate on the basis of a concession agreements concluded between Conceding Party (governmental body) and concessionaire (company) in accordance to the laws governing the field of concessions. A concession implies the right to perform economic activities using natural resources, goods in general use and performing activities of general interest. This right is assigned for a certain period of time, in the manner prescribed by law, with the payment of a concession fee. The concession agreement is a long-term relationship that according to the laws on concessions at the level of BiH and in the Federation of BiH lasts up to 30 years, and can exceptionally be extended up to a maximum of 50 years.</p> <p>The construction and/or use of wind power plants for electricity (wind power plants) and plants for harnessing solar energy are regulated by the Cantonal Laws on Concessions.</p>

¹⁸ Official Gazette of FBiH, No. 39/04, 73/05;

¹⁹ The matter of granting concessions in Bosnia and Herzegovina is regulated by the Law on Concessions at the State level of BiH, Entity laws on concessions, and in addition, each Canton in the Federation of BiH has its own law that regulates this area.

²⁰“Official Gazette of the FBiH”, No. 40/02 and 61/06;

2.3 Gaps and Solutions

In general, the above described legislation of FBiH provides an adequate framework to carry out land use changes and livelihood restoration and compensation activities in line with WB requirements. The main gaps between local legislation and WB requirements and the solutions addressed through this RF are presented in Table below. Given the explained differences between ESS5 and the local legislation, it will be possible to reconcile these differences in the phase of negotiations (for both formal and informal owners/users) which are encouraged by the legislation in order to avoid formal expropriation.

Table 2: Analysis of gaps and measures to bridge gaps

Issue	Gap	Measures to bridge the gap
Avoiding involuntary resettlement	<p>The legislation on expropriation does not specifically mention avoidance of involuntary resettlement and thus does not encourage public authorities to seek such avoidance. However, the authorities as the beneficiaries of expropriation have the legal obligation to seek to achieve negotiated settlements under expropriation laws of FBiH.</p> <p>Furthermore, project designing processes in the past have consistently sought to avoid or minimize resettlement and expropriation in practice within efforts to reduce costs.</p>	<p>Maximum efforts will be made to sign negotiated settlements with project affected persons in order to avoid expropriation, and such efforts shall be documented, as defined under the “Key Principles and Commitments” chapter of this RF.</p>
Resettlement planning and implementation	<p>The Expropriation Laws does not have explicit requirements related to socio-economic surveys or development of resettlement plans. However, with a view of facilitating expropriation in an early phase, the laws require the development of an expropriation study which include a geodetic/cadastral plan of the area identified for expropriation, list of affected owners and properties, evaluation of the property value, and other related information. The scope of the expropriation study is not identical to the baseline assessment as required by ESS5.</p>	<p>As defined under the “Key Principles and Commitments” chapter of this LULRF, LULRPs will be prepared for all subprojects that entail land use changes and livelihood restoration.</p> <p>The development of the LULRPs will also include a socio-economic survey and census which will identify both formal and informal land/property users as well as vulnerable persons/households.</p>
Cut-off date	<p>There are no differences with respect to determining the cut-off date (the date or after which persons who take residence in the project area are not eligible to a</p>	<p>As defined under the “Key Principles and Commitments” chapter of this RF, the cut-off date</p>

Issue	Gap	Measures to bridge the gap
	<p>compensation and/assistance) between ESS5 and the national legislation.</p> <p>However, national legislation has no requirement to communicate the cut-off date throughout the project area.</p>	<p>will be communicated (i) in the local media, (ii) at consultation meetings.</p>
Compensation for displaced persons	<p>There are no differences between ESS5 and the Expropriation Law with respect to the principle of determining the <i>type</i> of compensation, given that the laws favor allocation of a replacement property of equal value, and if the beneficiary of expropriation does not have appropriate property, it will offer cash compensation at market value of the property.</p> <p>However, there are two major differences between ESS5 and the expropriation laws.</p> <p>The <u>first</u> difference is the category of persons who are entitled to compensation. The expropriation laws refer mainly to formal owners of property with some exceptions for informally built residential structures.</p> <p>The <u>second</u> difference lies in the fact that ESS5 requires compensation at replacement cost, whereas the three expropriation laws require compensation at market value of property, and the laws do not explicitly refer to compensation for any registration costs etc.</p>	<p>Compensation will be provided in line with ESS5 requirements, as defined under the “Key Principles and Commitments” chapter. Specific entitlements are listed in the Entitlements Matrix.</p>
Economic displacement	<p>The national laws do recognize the right of (formal) owners to <i>compensation of lost profit</i> which they would have made through former use of properties during the period from their transfer until the point when they gained access to replacement properties. Thus, e.g., the formal owner of a business structure is entitled to compensation for any loss of income until he/she is able to fully restore business activities.</p> <p>However, the national legislation does not foresee compensation for economic displacement to the same extent as ESS5 (e.g. compensation for informal owners/users who will be economically displaced, ensuring a system of assistance, etc.).</p>	<p>Same as above</p>
Vulnerable groups	<p>There are no specific provisions in the three expropriation laws which require consultations with</p>	<p>Appropriate measures will be applied in line with this RF.</p>

Issue	Gap	Measures to bridge the gap
	<p>and providing assistance to vulnerable groups in the expropriation process.</p> <p>In practice, impacts on socially disadvantaged persons are to a certain extent mitigated through social welfare measures implemented at local government level and social welfare centers, as well as by applying specific legal remedies regulated by the <i>Law on Expropriation</i> in form of an increased compensation for expropriated properties to formal owners, and in each specific case taking into account the social status, financial situation, unemployment, income level, etc.</p>	
Grievance mechanism	While the expropriation laws <u>do</u> envisage the right of affected population to file complaints in various phases of the expropriation procedure, there is no requirement for establishment of an independent grievance mechanism to process complaints related to specific projects.	A grievance mechanism in line with ESS5 will be established as described under the “Grievance Mechanism” chapter of this RF.
Participation/ consultations	Several articles of the expropriation laws stipulate notifying of/consultation with property owners and stakeholders. However, there is no requirement to ensure involvement of all affected population from the earliest phase.	Disclosure of information and consultations will be carried in out in line with the requirements of this RF.

3. KEY LAND USE CHANGES AND LIVELIHOOD RESTORATION PRINCIPLES AND COMMITMENTS

The following principles of land use changes will be adhered to in relation with Project implementation:

1. Compliance with local legislation and WB requirements

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

2. Avoiding or minimizing Land Acquisition, Physical Resettlement, land use changes and impacts on livelihood

Involuntary resettlement will be avoided where feasible, or minimized, exploring all viable alternative project designs. No new land acquisition and physical resettlement will be supported under the project.

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

3. Land Use and Livelihood Restoration Plans (LULRPs)

Where it is not feasible to avoid land use changes and impacts on livelihood, the procedures and requirements outlined in this LULRF will be followed in the preparation and implementation of site-specific LULRPs for each of the locations/sites where change in land use and impact on livelihood is expected.

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

4. Cut-off date

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

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

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

5. Improving livelihoods and standards of living

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

6. Compensation

All owners, occupants and users of affected properties at the time of the cut-off date, whether with or without fully recognized ownership rights, will be eligible for certain type of compensation or assistance as outlined in the Entitlements Matrix (Table 3 of this document). Both loss of shelter (physical

displacement) and loss of livelihoods (i.e. “economic displacement”) shall be taken into account and mitigated.

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

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

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

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

7. Information disclosure and consultations

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

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

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

In addition, the PIU will disclose this LULRF and any future LULRPs to Cantons and Municipalities on whose territory land use changes may take place, and assist them in understanding the requirements

set out in these documents. The PIU, in cooperation with local authorities, will ensure that procedures for submitting grievances are communicated and available to PAPs at Cantonal and Municipal level.

8. Temporary occupation of land

Short-term impacts related to temporary occupation of land for construction purposes will be compensated in accordance with the local legislation on expropriation, as well as in accordance with the requirements of ESS5 for any informal owners/users affected by such temporary land occupation, as stipulated in the Entitlements Matrix (Table 3 of this document).

9. Assistance to vulnerable persons

Particular attention and consideration must be paid to the needs of vulnerable groups. Vulnerable people will be identified and appropriate measures for providing support to such people will be incorporated in the LULRPs, based on the personal situation of such vulnerable people. An indicative list of such measures includes but is not limited to: individual meetings to explain eligibility criteria and entitlements, assistance during the payment process (ensuring that compensation documents and payment process are well understood), supplemental social assistance, support for removal and transportation of materials, etc. To ensure that they are not left behind and that their concerns be heard, local NGOs and CSOs may assist in reaching out to these vulnerable groups and try to engage them in consultations.

Of particular concern is the impact of transition on already poor and vulnerable groups: at country-level, informal employment amounts to 30% of total employment and over 16% of all workers are employed on temporary contracts, and 24.5% of workers are working poor. A higher incidence of in-work poverty is recorded among self-employed (36%) and temporary workers (27.8%), part-time (39.9%) and young workers (31.4%) aged 18-24 years²¹. Women also display lower employment rate, higher unemployment, and higher level of informal employment than men.

The human development and economic development trends show vulnerability. The 2018 human development index was 0.769, placing the country in the high human development category. Of critical importance, the population is shrinking and ageing. Out-migration is an urgent challenge, representing a loss of young people and skilled workers upon which future sustainable development will depend. Unemployment stands high at 15.7%²², particularly among young people (47.3%), women, persons with disabilities, and Roma.²³

In addition, a total number of 2,193 persons, that is, 21.61% of the total number of workers in all the coal mines are disabled, of which 2,049 are workers with occupational disability and 144 are war invalids. The highest number of disabled is in the Kreka mine, comprising 544 persons, which is 24.79% of the employees. The disabled employees will be particularly vulnerable in the transition process and targeted social protection efforts will be required.

A particularly marginalized group is the Roma, who is the largest ethnic minority group, comprising 25,000-50,000 persons living in what UNICEF describes as multidimensional, chronic poverty. The largest number live in Tuzla Canton (15-17 000), followed by Sarajevo Canton and Zenica-Dobož Canton.²⁴ The Roma employment rate is less than others, and significantly less for Romani women

²¹www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---sro-budapest/documents/publication/wcms_774439.pdf

²² Labor force survey, Agency for Statistics of Bosnia and Herzegovina, 2019.

²³ USDSEK Decarbonisation of Residential Sector in Bosnia and Herzegovina, SIDA, April 2020.

²⁴ <https://www.osce.org/files/f/documents/2/a/110495.pdf>

(30% less for women against 16% less for men). The rate of Roma without any employment experience is also significantly higher than of others. Roma live in severe poverty, on half the income of the total population in the country.²⁵

10. Relocation assistance

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

11. Grievance mechanism

An effective grievance mechanism will be in place for receiving and addressing in a timely fashion specific concerns about compensation and relocation raised by displaced persons, in the manner described in more detail in Chapter 8 of this LULRF.

12. Monitoring and evaluation

The PIU will monitor and evaluate the implementation of the LULRPs, both through internal, official institutional arrangements, as well as through an independent, external monitor. Upon completion of RP implementation, an RP completion audit shall be prepared.

4. COMPENSATION AND ENTITLEMENTS

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

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

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

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

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

²⁵ www.rcc.int/romaintegration2020/files/user/docs/Roma%20Inclusion%20Index%202015.pdf

Compensation entitlements for different categories of eligible persons and assets covered either by the current applicable legislation of FBiH, or by this LULRF to bridge the gaps and meet the specific WB requirements are described below in *Table 3*.

Table 3: Entitlements Matrix

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

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY	ENTITLEMENT
	not own other property, along with additional assistance as needed, to be assessed on a case by case basis + Moving allowance
Temporary land occupation and losses (owner or tenant)	Compensation in the amount of rental obtainable on the market + Cash compensation for loss of assets (such as structures, crops, plantation) + Obligation to restore the land to pre-project condition + Compensation at market value for loss of net income from subsequent crops that cannot be planted for the duration of temporary possession (e.g. compensation for harvest lost at average yield/hectare)
Loss of right of way (owner or tenant)	Compensation for reduced market value of the property ²⁶ + Compensation for any damages to the property
Loss of residential structure/apartment (lessee)	Timely notification of the lessee in order to honour the notice period (as regulated in the lease agreement) + Payment of resettlement costs and compensation for other costs caused by relocation and cash compensation on a one-time basis (transitional allowance) + Provision of replacement structure/apartment for lease or assistance to identify an alternative location + Transitional assistance suited to the needs of each group of displaced persons
Loss of land (informal land possessors)	Cash compensation for loss of assets (crops, irrigation infrastructure and other upgrades on the land) at replacement cost
Loss of annual crops (formal or informal owner of land)	Right to harvest crops or (if harvesting is not possible) cash compensation for crops at replacement cost
Loss of perennial crops / orchards (formal or informal owner of land)	Right to pick fruits, vegetables, etc. + Cash compensation for perennial plants and trees at replacement cost
BUSINESSES	
Loss of place of business and loss of	Replacement property with similar or same characteristics or

²⁶ Reduced market value represents a decrease in value of real estate due to establishment of right of way by the expropriation beneficiary, and is determined on a case-by-case basis. It is paid in the form of cash compensation defined by an official court expert.

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY	ENTITLEMENT
business (owner of formal business structure)	<p>Cash compensation at replacement cost</p> <p style="text-align: center;">+</p> <p>Cash compensation at construction value for any informally erected commercial structures (if they exist on the business location)</p> <p style="text-align: center;">+</p> <p>Cash compensation for costs of the transfer and reinstallation of the plant, machinery or other equipment</p> <p style="text-align: center;">+</p> <p>Cash compensation for loss of profit as a result of the project (until the restoration of business activities elsewhere), calculated based on average values of business transactions over the past three years recorded in the responsible tax authority</p>
Loss of place of business and loss of business (owner of informal business structure or business structure of temporary character)	<p>Cash compensation at construction value of commercial structure (as existing on the day of the cut-off date)</p> <p style="text-align: center;">+</p> <p>Ensuring an adequate replacement location for lease to enable continued business transactions, unless the owner has the same or similar business activity elsewhere</p> <p style="text-align: center;">+</p> <p>Cash compensation for costs of the transfer and reinstallation of the plant, machinery or other equipment</p> <p style="text-align: center;">+</p> <p>Cash compensation for loss of profit as a result of the project (until the restoration of business activities elsewhere (up to 6 months)), calculated based on average values of business transactions over the past three years recorded in the responsible tax authority</p>
Loss of business in a leased structure (lessee)	<p>Timely notification of the lessee in order to honour the notice period</p> <p style="text-align: center;">+</p> <p>Compensation for all improvements on premises (such as reconstruction, refurbishment etc.) at replacement cost</p> <p style="text-align: center;">+</p> <p>Compensation for costs of equipment and inventory relocation and re-installation</p> <p style="text-align: center;">+</p> <p>Cash compensation on a one-time basis (transitional allowance) to be determined on a case to case basis during social survey by obtaining relevant data on income and livelihood. Transitional allowance shall then be determined commensurate with the loss</p> <p style="text-align: center;">+</p> <p>Provision of replacement premises for lease or assistance to identify an alternative location</p>
Temporary land occupation during construction works	<p>Affected land and infrastructure shall be restored to the pre-project condition</p> <p style="text-align: center;">+</p>

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY	ENTITLEMENT
(formal or informal business structures)	Cash compensation for temporary occupation of the land in the amount of a lease at market value + Compensation for any lost asset (such as structure, trees, etc.)
Loss of salaries (employees in formal or informal business structures)	In case of temporary interruption of business operations and consequently temporary interruption of work of employees: compensation for loss of salaries to employees, in the amount of the average salary for the last six months (to be paid directly to the employer who shall submit proof of paid salaries in the transition period) In case of termination of business activities as a result of the project: compensation for severance pay to employees in the amount of salaries paid in the last six months (to be paid directly to the employees)
Temporary losses of business income/rent during the construction works (businesses which are not relocating)	Cash compensation for loss of income until the completion of construction works which directly impact the business operations of the business entity, in line with assessment of court experts
Reduced value of business property due to acquisition of part of land on which business assets are located (e.g. parking lot of business)	Cash compensation for reduced value for business property, in line with assessment of court experts
OTHER	
Impacts on vulnerable groups	On top of all rights defined in this matrix, vulnerable PAP will be provided additional assistance including: legal assistance, employment opportunities, skill upgrade, improvement of access to services, individual meetings to explain eligibility criteria and entitlements, assistance during the payment process (ensuring that compensation documents and payment process are well understood), supplemental social assistance, support for removal and transportation of materials, etc. Additional assistance can also be offered as cash payment equal to 3-month minimum wage, in the month preceding the payment at FBiH level, if needed. Any additional support required for any affected vulnerable households will be determined on case-to-case basis. LULRPs shall develop a detailed methodology based on the socio-economic surveys.

TYPE OF PROJECT AFFECTED RIGHT OR PROPERTY	ENTITLEMENT
	<p>These PAP are to be given priority of employment on the project if possible.</p> <p>Any additional support required for any affected vulnerable households will be determined on case-to-case basis during socio-economic survey. Detailed methodology based on socio-economic surveys would be developed in LULRPs.</p> <p>These PAP are to be given priority of employment on the project if possible.</p>
Loss of public infrastructure	Public infrastructure will be replaced before destruction by infrastructure of the same or better specifications.
Loss of access to land used for animal grazing or production of hay (land owners who use the land)	<p>Replacement property with similar or same characteristics</p> <p>or</p> <p>Cash compensation at replacement cost</p>
Loss of access to land used for animal grazing or production of hay (informal use of the land)	Legalized use of replacement land in the vicinity.
Undefined impact (permanent or temporary loss)	Any undefined impact shall be mitigated in accordance with the principles and objectives of this LALRF. In case of discrepancies between national legislation and WB policy in a particular case, the provision more favorable for the affected owner/user shall prevail.

5. COMPENSATION FOR DIFFERENT CATEGORIES OF ASSETS

Compensation for structures and compensation for construction land

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

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

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

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

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

Compensation for livelihood loss

Compensation will be provided as necessary to all economically resettled persons, based on a reasonable estimate of the time required to restore their earning capacity, production level and standard of living.

Affected legal entities will receive compensation for the costs of determining a viable alternative location; for lost net profit during the transition period; for the costs of transfer and re-installation of plants, machines or other equipment; and for the re-establishment of commercial activities.

Affected employees will receive temporary wage loss assistance and, if necessary, assistance in identifying alternative employment opportunities.

The formal owners are entitled to compensation for the lost profits that they would have made using the previous property during the period from their transfer to the moment when they gained access to the replacement properties.

The formal owner of the business structure is entitled to compensation for any loss of income until he is able to fully resume business activities.

Compensation for agricultural land

As regulated by the FBiH and RS laws on expropriation, compensation for land shall be determined whenever possible in form of another appropriate property which enables the previous owner approximately equal terms of use. Equal terms of use are satisfied if the following criteria are met:

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

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

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

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

Compensation for unviable land

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

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

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

Compensation for crops and trees

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

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

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

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

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

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

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

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

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

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

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

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

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

Compensation for business-related losses

Businesses that need to be relocated will be compensated for:

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

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

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

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

6. LAND USE CHANGES AND LIVELIHOOD RESTORATION INSTRUMENTS

6.1 Social analysis of sub-projects for land acquisition, restriction on land use and involuntary resettlement impacts

The PIU will receive preliminary information from Cantons or Municipalities once the locations of proposed sub-projects are known. The required information shall include a description of the nature, scope and location of the proposed sub-project, accompanied by location maps and any other details as

may be required. By using the land use changes and livelihood restoration screening checklist provided in **Annex 2** of this LULRF, the PIU will verify on site the information provided in cooperation with local authorities, to confirm whether the project has potential involuntary resettlement impacts.

Screening of activities will be carried out by the PIU and submitted to the World Bank. The screening will rely on the following criteria and will aim to faithfully identify whether the proposed sub-projects will have adverse impacts on:

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

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

6.2 Land Use and Livelihood Restoration Plans

Based on this LULRF and the Social analysis, LULRPs for sub-projects requiring land use changes will be prepared once detailed designs for these become available, and before any expropriation activities commence.

LULRPs will define the procedures that PIU will follow ensuring the land use changes including payment of compensations is in line with this LULRF, national legal framework and ESS5. LULRPs in their contents must include the exact number and description of all properties that will be subject to expropriation, as well as all owners i.e. persons and/or households which are likely to be affected by land use changes and impacts of livelihood restoration (regardless of their legal status).

This will be achieved through census and a socio-economic survey that will be undertaken to collect information about the number, location, type of loss and household members including education, source of livelihood, etc. In addition to the census, a qualitative approach will be undertaken to collect relevant information on social and cultural aspects about attitudes of population toward the project, preferences etc. using focus groups and key informant interviews addressed to small groups constituted by age, gender, income amount, profession etc. with a special attention to be paid to women and those vulnerable.

Goals of the LULRPs are as follows:

- To minimize possible adverse impacts to land and goods ;

- To mitigate adverse social and economic impacts of expropriation and temporary or permanent losses by providing compensation for losses on the basis of replacement costs and ensure implementation of the activities of resettlement with appropriate data disclosure, consultations and participation of PAPs;
- Re-establish or improve sources of income and living standards of resettled persons on the level before Project impact;
- To establish organizational systems and procedures for monitoring the realization of land loss and livelihood restoration plan and to take corrective measures.

For the preparation of the LULRPs it is necessary to carry out a census (focuses on assets including the legal title, ownership, total area, area of expropriation etc.) and socio economic survey (focuses on owners/users of the of the affected land) for each sub-project, in order to identify the following:

- a) Current beneficiaries of the area in the scope of the Project, in order to establish fundamentals for creating the resettlement program;
- b) Standard characteristics of household, with the basic information about livelihood (including, if relevant, level of production and income obtained from formal and informal economic activities) and standard of living (including health condition);
- c) Range of expected losses (total or partial) and range of displacement, whether physical or economic;
- d) Information on vulnerable groups, particularly those below the poverty line, old persons, women and children, ethnic groups and other resettled persons who are not protected by the Law on Expropriation, and for whom special measures must be taken.

LULRPs need to contain a detailed budget and schedule of compensation distribution. LULRPs will be submitted to the WB for review and clearance. No activities on construction works can commence until and unless compensation has been paid or replacement property administered to PAPs. Also no expropriation activities (as per local legislation) should commence before the LULRP is cleared by the WB. If expropriation activities commence before the LULRP is cleared, disclosed and consulted, an audit will have to be prepared as explained below.

Implementation of LULRPs is an obligation of PIU. Duty of the PIU is to monitor overall implementation, to collaborate with the Ministry of Foreign Affairs and Economic Relations, Federation of Bosnia and Herzegovina, Cantons and Municipalities in whose territory the works are taking place, collaborate with contractors and disclose information to all PAPs.

Activities on the preparation of site-specific LULRPs will be disclosed in the way to enable significant participation of PAPs. That assumes the phase of preliminary preparations, disclosure of preparations for population census, disclosure of census results while respecting personal data, disclosure of social assessment, as well as disclosure of LULRP drafts. The purpose of public disclosure and discussions it to ensure significant participation of PAPs in the process of preparation, implementation and monitoring of resettlement instruments. Minimum elements any LULRP shall contain are provided in Annex 1.

6.3 Livelihood restoration

Loss of income sources or means of livelihood has been identified as the main risk in regard to provisions of the ESS5. Livelihood restoration and resettlement assistance will be provided through the livelihood restoration planning. The overall objective of livelihood restoration planning is to ensure that the production, income-earning capacity, standards of living and overall means of livelihood for all affected and displaced persons including business owners are improved or at least restored to pre-project levels. will be provided to the PAPs before their eviction.

The specific objectives of the livelihood restoration planning are to:

- a) Provide feasible and sustainable livelihood restoration packages to the Project Affected Persons (PAPs).
- b) Promote self-reliance and foster socio-economic empowerment.
- c) Provide additional, targeted assistance for the identified vulnerable groups who are affected by the project.

In regard to timing of livelihood restoration, it is important to initiate the measures in sufficient time to ensure that people have access to alternative livelihood opportunities as soon as needed. Until such measures are in place, appropriate transitional support is provided to affected persons so that they do not bear the burden of implementation delays. Planning of such transitional support should provide for contingencies to address unforeseen additional delays.

The livelihood restoration planning should define procedures in cases of loss of livelihood when such are detected. The key guiding principles are as follows:

- e) Focus is on the replacement and subsequent enhancement of livelihoods through the improvement of income, increased production and a better quality of life;
- f) RPs should be designed bearing in mind the context of the project area such as current livelihoods, local capacities and initiatives to foster sustainability and continuity beyond the project;
- g) A combination of approaches has been used to support restoration and improvement of income;
- h) Vulnerable households and business owners will require additional, targeted support through the planning and implementation of livelihood restoration;
- i) Capacity building shall be incorporated into livelihood restoration activities to develop skills and potential for economic diversification and will include financial literacy to enable appropriate investment of cash compensation;
- j) The livelihood restoration planning will be implemented in a gender-appropriate manner where both men and women will be given equal opportunity to benefit from the programs;
- k) The livelihood restoration planning implementation and outcomes will be continuously monitored and evaluated as part of the project Monitoring and Evaluation Plan.

The proposed livelihood restoration measures are designed in compliance with national and international standards and good practices.

6.4 Land Use and Livelihood Restoration Audit

This ESS5 applies to permanent or temporary physical and economic displacement undertaken prior to or in parallel to the implementation of the project, but in anticipation of, or in preparation for, the project. If such cases are identified through the Social analysis of sub-projects, an audit will be undertaken by a Land Use and Livelihood Restoration specialist (to be hired on a need basis in such cases) to: (a) document and assess the adequacy of the mitigation measures employed in light of the ESS5; (b) assess compliance with national legislation; (c) identify gaps in meeting the requirements of ESS5 and this LULRF; (d) identify any complaints, grievances, or other outstanding issues; and (e) determine measures to close identified gaps and address complaints. This due diligence is undertaken within an agreed upon time frame that takes into account the context of the project and significance of the prior land acquisition and impact on livelihood. It may not be possible to retroactively satisfy certain aspects of ESS5, such as consultation and disclosure. The due diligence may include review of relevant documents, field visits, interviews, and consultations held with affected persons and other key

stakeholders. The Bank's clearance of such audit report, and the implementation of gap filling measures, is the pre-requisite for the start of subprojects in such cases.

6.5 Process Framework

In case the social analysis identifies that the project will induce access restrictions in relation to legally designated parks, protected areas, or other common property, such impacts shall be mitigated through development of a process framework covering impacts attributable to such restrictions.

Specifically, the process framework describes participatory processes by which the following activities will be accomplished:

- a) Project components will be prepared and implemented. The document should briefly describe the project and components or activities that may involve new or more stringent restrictions on natural resource use. It should also describe the process by which potentially displaced persons participate in project design.
- b) Criteria for eligibility of affected persons will be determined. The document should establish that potentially affected communities will be involved in identifying any adverse impacts, assessing of the significance of impacts, and establishing of the criteria for eligibility for any mitigating or compensating measures necessary.
- c) Measures to assist affected persons in their efforts to improve their livelihoods or restore them, in real terms, to pre-displacement levels, while maintaining the sustainability of the park or protected area will be identified. The document should describe methods and procedures by which communities will identify and choose potential mitigating or compensating measures to be provided to those adversely affected, and procedures by which adversely affected community members will decide among the options available to them.
- d) Potential conflicts or grievances within or between affected communities will be resolved. The document should describe the process for resolving disputes relating to resource use restrictions that may arise between or among affected communities, and grievances that may arise from members of communities who are dissatisfied with the eligibility criteria, community planning measures, or actual implementation.

Additionally, the process framework should describe arrangements relating to the following:

- e) Administrative and legal procedures. The document should review agreements reached regarding the process approach with relevant administrative jurisdictions and line ministries (including clear delineation for administrative and financial responsibilities under the project).
- f) Monitoring arrangements. The document should review arrangements for participatory monitoring of project activities as they relate to (beneficial and adverse) impacts on persons within the project impact area, and for monitoring the effectiveness of measures taken to improve (or at minimum restore) incomes, livelihoods and living standards.

7. DISCLOSURE OF INFORMATION AND PUBLIC CONSULTATIONS

The PIU is responsible for all disclosure and consultation activities according to the ESS5. It needs to establish an ongoing relationship with affected communities, from as early as possible in the sub-project planning process, and throughout the life of the Project. The engagement process will ensure meaningful consultation with them in order to arrive at common understanding of the nature and duration of the impacts; inform participation on matters that affect them directly; propose mitigation measures; share

development benefits and opportunities; and implementation issues. Individual meetings may be held with PAPs regarding specific cases, including upon request by PAPs.

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

- the website of the Ministry of Foreign Trade and Economic Relations of BiH (www.mvteo.gov.ba)
- the website of the Federal Ministry of Industry, Mining and Energy (www.fmeri.gov.ba)
- the website of the Cantons Tuzla and Zenica-Doboj and their Municipalities.
- Elektroprivreda BiH www.epbih.ba;
- the official accounts on social networks of the Inter-Ministerial Committee on Just Transition and Cantonal Governments;
- leaflet containing information on GM;
- media (radio, television, written and electronic media).

The PIU will disclose this LULRF and any future LULRPs to Local Governments on whose territory land acquisition may take place (in both English and local languages), and assist the Local Governments in understanding the requirements set out in these documents. Hard copies of the documentation shall be available in the affected LGs.

The PIU, in cooperation with Local Governments, will ensure that procedures for submitting grievances are communicated and available to PAPs at local level.

PAPs will be informed about the preparation of the LULRP and on the results of the census and baseline survey, and their opinions on compensation or other assistance will be given due consideration. The processes and mechanisms ensuring the active involvement of PAPs and other stakeholders will be detailed in the LULRPs which will also include an appendix with the date, list of participants, and minutes of consultation meetings.

Affected individuals and communities will be included in decision-making processes related to land use changes and livelihood restoration. Potential impacts covered under this LULRF shall be disclosed in a timely manner to affected persons and communities allowing a participatory approach as early as the planning stage. It is important that affected disadvantaged or vulnerable individuals or groups have a voice in consultation and planning processes. This is especially important for situations where loss of livelihood occurs, and livelihood restoration needs to be planned. This may involve special efforts to include those who are particularly vulnerable to hardship because of economic displacement. The consultation process should ensure that women's perspectives are obtained and their interests factored into all aspects of land use and livelihood restoration planning and implementation.

Affected households and businesses will be individually visited and informed by the public departments in charge of expropriation about the impacts of the Project on their property and magnitude of loss, or invited to come to the municipality.

Access to information and assistance for **vulnerable persons/households** will be facilitated by the PIU in close cooperation with Local Government and/or municipal departments for social affairs, as appropriate for each person/household according to the specific needs of such persons. The awareness generation efforts should ensure flow of information up to the most vulnerable groups like women-headed households, returnees and internally displaced people, physically disabled, Roma, elderly,

elderly people living alone and unemployed youth, and absentee PAPs. The draft land use and livelihood restoration instruments for each sub-project location will be made available at locations that are convenient to the vulnerable groups in a form and language understandable to these groups. The Local Government will take all appropriate means (through electronic and written media, words of mouth through community relations) to identify/locate absentee landowners and provide documentation of these efforts.

While these vulnerable groups have been identified as being affected, it should be noted that the majority of the population within the zone of influence exhibit low levels of income and poor literacy rates. In addition, some of the households within the area of the Project are reliant on subsistence agriculture. Considering this, it is likely that higher levels of assistance may be required in explaining the land use changes and livelihood restoration process as well as ensuring that the livelihoods of the affected households are not adversely affected as a result of the project.

Some PAPs/individuals or groups will be considered more vulnerable than the majority of the affected population and, if affected by the Project, will require the implementation of special livelihood restoration and/or assistance measures. Such groups might include:

- Informal users of affected land who have no sources of income or assets of their own.
- Owners of informal residential structures (built without necessary permits), with no other property or place of residence.
- Persons who depend on the affected land for incomes/livelihoods and it is the only land they own or use.
- Elderly single headed households, single parent households, households with multiple members, etc. who have to be physically re-located.
- Persons who will be affected by physical and/or economic displacement, whose socio economic status is low, for example beneficiaries of social welfare.
- Illiterate persons who may have difficulties accessing information about the Project and land use or understanding contracts and other important documents, etc.

7.1 Public consultation on this LULRF

The set of documents that will guide the further E&S due diligence during sub-project implementation based on the 2018 WB E&S Framework including:

- this Land Use and Livelihood Restoration Framework (LULRF)
- the Environmental and Social Management Framework (ESMF)
- the Environmental and Social Commitment Plan (ESCP)
- the Stakeholder Engagement Plan (SEP) and
- the Labor Management Plan (LMP)

was disclosed to the public on __.__.2024 through the websites of the Federal Ministry of Energy and Mining (<https://www.fmeri.gov.ba/>) and Cantonal Governments.

The minutes from the public consultation is included in Annex.

This LULRF has been updated to include the outcomes of the public consultation process.

8. GRIEVANCE MECHANISM

The **grievance redress mechanism** (GRM), to be established by the PIU in accordance with ESS5, will be set up as early as possible in project development to address specific concerns about compensation, land use changes, or livelihood restoration measures raised by PAPs in a timely fashion.

The GRM is available at no cost, and it is important that it be easily accessible.

A Project level GRM will consist of a Central Grievance Redress Committee (CGRC) established and administered by the PIU and sub-project specific Local Grievance Redress Committees (LGRC) (collectively referred to as GRM) established and administered by the municipalities. The PIU will ensure that the involved municipalities dedicate one officer to the task of admission of grievances (Local Government officer).

The CGRC shall be effective immediately after appraisal of the Project, in order to manage and appropriately answer complaints during its different phases while the LGRC shall be effective upon decision on each new sub-project has been taken.

PIU and the municipalities respectively are responsible for establishing functioning GRM and informing stakeholders about the GRM role and function, the contact persons and the procedures to submit a complaint in the affected areas. Information on the GRM will be available: on the websites of the PIU (www...) and involved municipalities, on the notice boards of municipalities, through social media campaigns. A leaflet containing grievance mechanism procedure should be made and disseminated to the PAPs in public meetings during each phase of the project, as well as placed in local communities' offices.

A sample grievance form is provided in **Annex 3** of RF.

8.1. Raising grievances

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

8.2. Grievance administration

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

Once logged, the GRM shall conduct a rapid assessment to verify the nature of grievances and determine on the severity. Within 3 days from logging, it will acknowledge that the case is registered and provide the grievant with the basic next step information. It will then investigate by trying to understand the issue from the perspective of the grievant and understand what action he/she requires. The GRM will investigate the facts and circumstances and articulate an answer. The final agreement should be issued and grievant be informed about the final decision not later than 30 days after the logging of the grievance. Closing out the grievance occurs after the implementation of the resolution has been verified.

Even when an agreement is not reached, or the grievance was rejected, the results will be documented, actions and effort put into the resolution. If the grievance could not be resolved in amicable endeavor, the grievant can resort to the formal judicial procedures, as made available under the FBiH legal framework. Logging a grievance with the GRM does not preclude or prevent seeking resolution from an official authority, judicial or other at any time (including during the grievance process) provided by the FBiH legal framework.

In case of anonymous grievance, after acknowledgment of the grievance within 3 days from logging, the GRM will investigate the grievance and within 30 days from logging the grievance, issue the final decision that will be disclosed on the PIU website.

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

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

PIU, Grievance Mechanism

Address:

Phone: +387

Fax: +387

e-mail:

Local access details to be known and disseminated at later stages.

8.3. Grievance log

The PIU will maintain grievance logs. Each grievance will be recorded in the grievance log with the following information:

- the name and contact details of the grievant, if appropriate;
- the date of grievance submission;
- description of grievance;
- the name of the officer charged with addressing the complaint, if appropriate;
- date of receipt acknowledgement returned to the grievant;
- any follow up actions taken;
- the proposed resolution of the grievance;
- whether longer-term management actions have been taken to avoid the recurrence of similar grievances in the future, if applicable;
- date of resolution and closure / provision of feedback to the grievant.

8.4. Grievance feedback

Feedback to the grievant will be sent using the contact details submitted along with the grievance.

The CGRC shall compile quarterly reports about the number and type of grievances addressed and closed-out. This Report shall be disaggregated by type of grievances. A summary of grievances and the measures taken to resolve them shall be made public on PIU and municipal websites on a regular (quarterly) basis

8.5. Grievance processing

The CGRC will lead a grievance inquiry, if needed, including collecting relevant documents, conducting field visits, consulting appropriate internal staff, contacting external stakeholders, and other activities. The investigative findings will be used to document the decision-making process and inform the proposed improvement.

Grievances that have been investigated will be followed up to get the best results for all parties in accordance with the applicable laws and regulations in FBiH and this LULRF. The grievant will be provided information about the status and progress of grievance submitted. The decision shall be in writing and shall be delivered to the person who filed the grievance as well as to any other person or entity to which the recommendation and measures shall apply. If the grievant accepts the proposed resolution, the agreed action(s) will be implemented. The grievance officer is responsible to ensure implementation of the agreed action(s) by relevant parties, including the agreed timeline for

implementing the resolution. This process will be recorded in the grievance log with supporting documentation. If necessary, a regular monitoring will be performed to verify the implementation.

Following the resolution, the grievance can be officially closed.

8.6. Monitoring and reporting

The CGRC will be responsible for:

- Collecting data from LGRC serving as local admission points on the number, substance and status of grievances and uploading them into the project database;
- Maintaining the grievance logs on the grievances received;
- Disclosing quarterly reports on GRM mechanisms;
- Summarizing and analyzing the qualitative data received from the local grievance admission points on the number, substance and status of complaints and uploading them into the project database;
- Monitoring outstanding issues and proposing measures to resolve them.

8.7. WB Grievance Redress System

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

For information on how to submit complaints to the WB's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>.

For information on how to submit complaints to the WB Inspection Panel, please visit www.inspectionpanel.org.

8.8. Grievance in national legislation

In addition to GRM at all times, complainants may seek **other legal remedies in accordance with the legal framework of FBiH.**

Related to the expropriation; the procedure is summarized as follows:

- Complaints against the decision on expropriation shall be decided upon by the Federal Administration for Geodesy and Property-Legal Affairs;
- Grievances are submitted to the first level administrative body that brought the decision on expropriation (municipality);
- Deadline for submission of grievances is 15 days;
- Any grievance shall be responded to and processed within 30 days;
- Against the decision of the second level administrative body, administrative litigation can be initiated before the cantonal court within 30 days from the date when the decision was received;
- Information on legal recourse represents an integral part of every decision;

- If no agreement on the compensation is reached within two months from the date when the decision on expropriation entered into force, the municipal administrative body shall promptly submit the valid expropriation decision together with other relevant documents to the competent Court, at whose territory the expropriated real property is located, for the purpose of determining the compensation.
- If the municipal administrative body fails to act in line with the above provision, the previous owner and the expropriation beneficiary may approach the Court directly for the purpose of determining the compensation.
- The **Law on administrative procedure prevails over the Law on Expropriation** so that the grievance procedure shall be conducted in accordance with the Law on Administrative Procedure.
- For resolution of any disputes that could not be readily solved by direct interaction between the parties, mediation will be used as a voluntary procedure for extrajudicial settlement of disputes.
- The competent court shall ex officio decide in out-of-court proceedings on the amount of compensation for the expropriated real property. Proceedings for determining the compensation for expropriated real property are urgent. The proceedings should be completed as soon as possible and not later than 30 days from the date of initiating court proceedings;
- It is possible to file a separate appeal against the court decision on the compensation.

The **Law on Administrative Procedure** regulates how public administrative bodies in BiH decide on the rights, obligations or legal interests of citizens, legal entities, or other parties. Regulations on public administration in BiH, prescribe the obligation of administrative bodies to resolve requests received within prescribed deadlines at all levels of government. Administrative bodies are obliged to consider and respond to complaints and proposals submitted by all natural and legal persons, including complaints about the work and the work and attitude of employees. These laws and regulations exist both at the level of the State of BiH and in its Entities. In the administrations of BiH, the complaint must be responded to within eight days from the day of receipt of the complaint, i.e a written response must be given on the measures taken in relation to a petition, proposal, or complaint.

Article 76 of the **Law on Organization of Administration Bodies in FBiH**²⁷ stipulates the right of citizens to submit petitions and complaints to the head of the administrative body, and in the municipality - the municipal mayor, that is, in the city - the mayor. They can be submitted in the case if civil servants in administrative bodies do not resolve citizens' requests within the prescribed time limits, or from citizens they are looking for unnecessary and redundant evidence, or they are looking for evidence that they must obtain by official duty, or if in any other way they delay the resolution of the request citizens, or prevent have the right to with such behavior. Actions like that represent a serious breach of official duty.

The head of the administrative body is obliged to investigate the petition or complaint immediately, and no later than within five days from the date of receipt of the petition or complaint, and if she/he finds that it is founded, she/he is obliged to take measures provided for by law (initiate disciplinary proceedings or take other measures) against the official whose work the petition or complaint relates to, and at the same time submit a written response to the person submitting the petition or complaint on the measures taken. Citizens can also turn to the **administrative inspection**.

²⁷ "Official Gazette of the FBiH", no 35/05.

In addition, Article 46 of the **Law on Principles of Local Self-Government in the Federation of BiH**²⁸ stipulates that bodies of local units of self-government shall have the duty to enable citizens and legal entities to submit letters and objections to their work, the work of their institutions and agencies, and improper conduct of employees in those agencies in communication with citizens who seek to achieve their rights and interests or fulfill their civic duty. Bodies of local units of self-government are obliged to provide citizens and legal entities with a reply to their letters and objections within 30 days from the date of letter or objection.

The Institution of the Human Rights Ombudsman in BiH is an independent institution that deals with the protection of the rights of natural and legal persons, and in accordance with the Constitution of Bosnia and Herzegovina and the international agreements contained in the appendix to the Constitution. It has a broad mandate and may be addressed by each natural person or institution that has legitimate interests. The Institution of the Ombudsman is also the central institution for protection against discrimination, and that it can act towards all natural and legal persons, according to the **BiH Law on Prohibition of Discrimination**, and the enforcement of the **BiH Law on Freedom of Access to Information**. Any natural or legal person who has a legitimate interest, regardless of citizenship, race, gender, religious or national affiliation, can apply to the Human Rights Ombudsman of Bosnia and Herzegovina. A complaint addressed to the Institution will not cause any criminal, disciplinary or any other sanctions for its applicant.

Complaints may be filed in writing, by mail, fax, or email, or through personal contact. The Head Office is in Banja Luka, with Regional Offices in Sarajevo, Mostar, and District of Brcko. In addition, there is Field Office in Livno.

In case The Ombudsman determines that a violation of rights, recommendations to the relevant organs/institutions of will be issued with directions for how to restore the violated rights or how to remedy poor administrative performance. The Ombudsman institution assists the citizen on how to utilize the most adequate legal remedies or advise them which institution to address.

The Ombudsman has authority to review all official documents related to administrative files and request the cooperation of an official authorized to resolve administrative matters in administrative proceedings and other officials especially in obtaining the necessary information, documents and files related to the administrative matter which is the subject of the administrative procedure, and it can request annulment of the decision. The Ombudsman institution in 2019 registered more than 3 000 cases of which around 80% relates to violations of civil and political rights, rights in the judiciary and administration and economic, social, and cultural rights.²⁹ The Ombudsman can issue authoritative, but legally non-binding recommendations – and it is not unusual for the relevant authorities to ignore the recommendations from the Ombudsman.³⁰

The Ombudsman mandate has several functional elements, which include not only the handling of complaints and individual procedures initiated ex officio, but also monitoring and preventive action. It has established a mechanism for monitoring the situation in this area in such a way that it monitors the execution of the obligations of the public body established by the BiH Law of on Freedom of Access to Information, and acts on the complaints sent to it by the parties.

²⁸ "Official Gazette of the FBiH", no 49/06).

²⁹ https://ombudsmen.gov.ba/documents/obudsmen_doc2020121715362648eng.pdf

³⁰ In 2019, the Ombudsman issued 304 recommendations in 374 cases 2019, of which 105 were fully implemented, nine partially implemented, but as many as 124 recommendations received no response from the responsible authority (ibid).

9. IMPLEMENTATION OF LULR Plans

9.1 Implementation Responsibilities

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

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

LULRPs will be in place prior to the initiation of any land use changes activities.

The specific tasks regarding the preparation and implementations of LULRPs will be shared between the PIU, Federation of BiH and Cantonal and Municipal administrations and other involved agencies, according to the *Table 4* below:

Table 4: Organizational Responsibilities and Arrangements

Task	Responsible party
Preparation of LULRPs	
Ensuring the preparation of LULRPs including the census and socioeconomic surveys	PIU
Developing municipalities' awareness of the requirements of LALRF and LULRPs	PIU
Approval of LULRP	WB
Information disclosure and consultations	
Disclosure of information and documents to all Project Affected People and communities, and organization of public meetings	PIU in cooperation with the involved municipalities
Keeping records of consultation activities	PIU
Land use changes process	
Direct communication with and visits to owners and occupants	PIU and the involved municipalities as the expropriation authorities
Negotiations and expropriation activities, prior to construction commencement	PIU and the involved municipalities
Provision of assistance to vulnerable persons / households	PIU in cooperation with the municipal departments responsible for social care, displaced persons and refugees
Payment / provision of compensation packages	PIU

Monitoring and reporting	
Monitoring and reporting to WB with respect to land use changes	PIU
Monitoring and reporting in respect of temporary land occupation carried out after construction commencement	Contractor
Preparation of a Completion Audit at the end of the land use changes process	Independent third party contracted by PIU
Receiving and managing grievances	
Grievance processing and management	PIU / Local municipality officer
Receiving grievances and acknowledging receipt of grievances	PIU / Local municipality officer
Keeping an integrated registry of grievances	PIU

9.2 Costs

The costs of the land use changes and livelihood restoration process will be the responsibility of the Federal Ministry of Energy, Mining and Industry, and Elektroprivreda BiH. Social assistance costs will be the responsibility of the mentioned and the involved Cantons and Municipalities. Detailed cost estimates will be provided in the RPs.

9.3 Monitoring and Reporting

Monitoring of the land use changes and livelihood restoration process will be conducted by the PIU to:

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

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

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

- Overall spending on land use changes and compensation,
- Number of projects affected people by categories,
- Number of PAPs that were economically displaced;
- Area of mind land that was privately used (formally and informally),
- Number of affected informal users,
- Number of structures (residential, commercial and auxiliary) identified for expropriation,

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

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

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

ANNEX 1: Minimum Elements of a Land Use and Livelihood Restoration Plan

The tables below have been prepared based on the requirements set out in the WB Framework, specifically *ESS5-Annex 1. Land Use changes and Livelihood Restoration Instruments*.

General requirements for a Land Use and Livelihood Restoration Plan

ELEMENT	EXPLANATION
Description of the project	General description of the project and identification of the project area
Potential impacts	Identification of: <ol style="list-style-type: none"> a) project components or activities that give rise to displacement, explaining why the selected land must be acquired for use within the timeframe of the project; b) zone of impact of such components or activities; c) scope and scale of land use changes and impacts on structures and other fixed assets; d) any project-imposed restrictions on use of, or access to, land or natural resources; e) alternatives considered to avoid or minimize displacement and why those were rejected; and f) mechanisms established to minimize displacement, to the extent possible, during project implementation.
Objectives	The main objectives of the Land Use and Livelihood Restoration Program.
Census survey and baseline socioeconomic studies	<p>The findings of a household-level census identifying and enumerating affected persons, and, with the involvement of affected persons, surveying land, structures and other fixed assets to be affected.</p> <p>The census survey also serves other essential functions:</p> <ol style="list-style-type: none"> a) identifying characteristics of Affected households, including a description of production systems, labor, and household organization; and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population; b) information on vulnerable groups or persons for whom special provisions may have to be made; c) identifying public or community infrastructure, property or services that may be affected; d) providing a basis for the design of, and budgeting for, the Land Use and Livelihood Restoration Program; e) in conjunction with establishment of a cutoff date, providing a basis for excluding ineligible people from compensation and resettlement assistance; f) establishing baseline conditions for monitoring and evaluation purposes. <p>If deemed relevant, additional studies on the following subjects may be required:</p> <ol style="list-style-type: none"> g) land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, non-title-based usufruct systems (including fishing, grazing, or use of forest areas) governed by local recognized land allocation mechanisms, and any issues raised by different tenure systems in the project area;

ELEMENT	EXPLANATION
	<ul style="list-style-type: none"> h) the patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project; i) social and cultural characteristics of displaced communities, including a description of formal and informal institutions (e.g., community organizations, ritual groups, nongovernmental organizations (NGOs)) that may be relevant to the consultation strategy and to designing and implementing the land use changes and livelihood restoration activities.
Legal framework	<p>The findings of an analysis of the legal framework, covering:</p> <ul style="list-style-type: none"> a) scope of the power of compulsory acquisition and imposition of land use restriction and the nature of compensation associated with it, in terms of both the valuation methodology and the timing of payment; b) applicable legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process and the normal timeframe for such procedures, and any available grievance mechanisms that may be relevant to the project; c) laws and regulations relating to the agencies responsible for implementing resettlement activities; d) gaps, if any, between local laws and practices covering compulsory acquisition, imposition of land use restrictions and provision of resettlement measures and ESS5, and the mechanisms to bridge such gaps.
Institutional framework	<p>The findings of an analysis of the institutional framework covering:</p> <ul style="list-style-type: none"> a) identification of agencies responsible for settlement of claims to land, land use changes and livelihood restoration activities and NGOs/CSOs that may have a role in project implementation, including providing support for displaced persons; b) assessment of the institutional capacity of such agencies and NGOs/CSOs; c) any steps that are proposed to enhance the institutional capacity of agencies and NGOs/CSOs responsible for land use changes and livelihood restoration implementation.
Eligibility	<p>Definition of affected persons and criteria for determining their eligibility for compensation and other land use changes and livelihood restoration assistance, including relevant cutoff dates.</p>
Valuation of and compensation for losses	<p>The methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation for land, natural resources and other assets under local law and such supplementary measures as are necessary to achieve replacement cost for them.</p>
Community participation	<p>Involvement of displaced persons (including host communities, where relevant):</p> <ul style="list-style-type: none"> a) description of the strategy for consultation with, and participation of, affected persons in the design and implementation of the land use changes and livelihood restoration activities; b) summary of the views expressed and how these views were taken into account in preparing the LULRP; c) review of the land use changes and livelihood restoration alternatives presented and the choices made by displaced persons regarding options available to them; d) institutionalized arrangements by which displaced people can communicate their concerns to project authorities throughout planning

ELEMENT	EXPLANATION
	and implementation, and measures to ensure that such vulnerable groups as indigenous people, ethnic minorities, the landless, and women are adequately represented.
Implementation schedule	An implementation schedule providing anticipated dates for displacement, and estimated initiation and completion dates for all LULRP activities. The schedule should indicate how the land use changes and livelihood restoration activities are linked to the implementation of the overall project.
Costs and budget	Tables showing categorized cost estimates for all land use changes and livelihood restoration activities, including allowances for inflation, population growth, and other contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds, and funding for settlement of claims to Land, land use changes and livelihood restoration, if any, in areas outside the jurisdiction of the implementing agencies.
Grievance mechanism	The plan describes affordable and accessible procedures for third-party settlement of disputes arising from land claims, land use changes and livelihood restoration; such grievance mechanisms should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms.
Monitoring and evaluation	Arrangements for monitoring of land use changes and livelihood restoration activities by the implementing agency, supplemented by third-party monitors as considered appropriate by the Bank, to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for land acquisition and livelihood restoration activities; involvement of the displaced persons in the monitoring process; evaluation of results for a reasonable period after all land use changes and livelihood restoration activities have been completed; using the results of land use changes and livelihood restoration monitoring to guide subsequent implementation.
Arrangements for adaptive management	The plan should include provisions for adapting land use changes and livelihood restoration implementation in response to unanticipated changes in project conditions, or unanticipated obstacles to achieving satisfactory land acquisition and livelihood restoration outcomes.

ELEMENT	EXPLANATION
Transitional assistance	The plan describes assistance to be provided for relocation of household members and their possessions (or business equipment and inventory). The plan describes any additional assistance to be provided for households choosing cash compensation and securing their own replacement housing, including construction of new housing. If planned relocation sites (for residences or businesses) are not ready for occupancy at the time of physical displacement, the plan establishes a transitional allowance sufficient to meet temporary rental expenses and other costs until occupancy is available.
Site selection, site preparation, and relocation	When planned relocation sites are to be prepared, the LULRP describes the alternative relocation sites considered and explains sites selected, covering: <ul style="list-style-type: none"> a) institutional and technical arrangements for identifying and preparing relocation sites, whether rural or urban, for which a combination of productive potential, locational advantages, and other factors is better or at least comparable to the advantages of the old sites, with an estimate of the time needed to acquire and transfer land and ancillary resources; b) identification and consideration of opportunities to improve local living standards by supplemental investment (or through

ELEMENT	EXPLANATION
	<p>establishment of project benefit-sharing arrangements) in infrastructure, facilities or services;</p> <p>c) any measures necessary to prevent land speculation or influx of ineligible persons at the selected sites;</p> <p>d) procedures for physical relocation under the project, including timetables for site preparation and transfer; and</p> <p>e) legal arrangements for regularizing tenure and transferring titles to those resettled, including provision of security of tenure for those previously lacking full legal rights to land or structures.</p>
Housing, infrastructure, and social services	Plans to provide (or to finance local community provision of) housing, infrastructure (e.g., water supply, feeder roads), and social services (e.g., schools, health services); plans to maintain or provide a comparable level of services to host populations; any necessary site development, engineering, and architectural designs for these facilities.
Environmental protection and management	A description of the boundaries of the planned relocation sites; and an assessment of the environmental impacts of the proposed resettlement and measures to mitigate and manage these impacts (coordinated as appropriate with the environmental assessment of the main investment requiring the resettlement).
Consultation on relocation arrangements	The plan describes methods of consultation with physically displaced persons on their preferences regarding relocation alternatives available to them, including, as relevant, choices related to forms of compensation and transitional assistance, to relocating as individual households families or with preexisting communities or kinship groups, to sustaining existing patterns of group organization, and for relocation of, or retaining access to, cultural property (e.g., places of worship, pilgrimage centers, cemeteries).
Integration with host populations	<p>Measures to mitigate the impact of planned relocation sites on any host communities, including:</p> <p>a) consultations with host communities and Local Governments;</p> <p>b) arrangements for prompt tendering of any payment due the hosts for land or other assets provided in support of planned relocation sites;</p> <p>c) arrangements for identifying and addressing any conflict that may arise between those resettled and host communities; and</p> <p>d) any measures necessary to augment services (e.g., education, water, health, and production services) in host communities to meet increased demands upon them, or to make them at least comparable to services available within planned relocation sites.</p>

Additional planning requirements where resettlement involves economic displacement

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

ELEMENT	EXPLANATION
Direct land replacement	For those with agricultural livelihoods, the LULRP provides for an option to receive replacement land of equivalent productive value, or demonstrates that sufficient land of equivalent value is unavailable. Where replacement land is available, the plan describes methods and timing for its allocation to displaced persons.

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

ANNEX 2: Land Use and Livelihood Impact Screening Form

This screening report shall comprise of the screening form, ownership evidence and pictures from the walkover survey.

Name of Sub-project:

Location:

Type of Activity and Procurement Package as assigned in the Procurement Plan:

Nature of Project:

Size/Scale:

Project Implementing Agency:

Description of Project Surroundings:

Screening indicators related to Land use changes, assets and access to resources		YES	NO
	Type of activity – Will/has the sub-project:		
1	Require that land (private) to be acquired (temporarily or permanently) for its development?		
2	Acquired land in anticipation of the Project?		
3	Use land that is currently occupied or regularly used for productive purposes (e.g. gardening, farming, pasture, fishing locations, forests)?		
4	Physically displace individuals, families or businesses?		
5	Result in the temporary or permanent loss of crops, fruit trees or household infrastructure?		
6	Result in the involuntary restriction of access by people to legally designated parks and protected areas?		
7	Result in loss of livelihood?		
8	Have negative impact to any vulnerable individuals or groups?		
9	Have negative impact to informal side road shops, traders or any nomadic type of commercial activity?		
10	Impact to community Health & Safety?		
11	Impact on internally displaced persons or refugees?		
12	Disrupt access to health care and education?		

If any of the boxes 1 through 9 are ticked YES the ESS5 will be relevant and site specific instruments in line with this LULRF will be prepared.

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

CERTIFICATION

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

For the PIU

Social Specialist

ANNEX 3: Project Grievance Form

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

Signature: _____

Date: _____

Please return this form to:

	Attention: Address: Phone: Fax: E-mail:
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ANNEX 4: Public consultation form

To be added after public consultation