



Ministry of Agriculture, Forestry and Water Management

RESETTLEMENT POLICY FRAMEWORK (RPF)

agreed at [Project Appraisal Stage](#)

Prepared for the Project:

**Climate Resilient Fisheries and Agrifood Sector Development Project
(CRFASD)**

Montenegro

Project No. P507698

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Acronyms

Abbreviation Full Meaning

ABP	Animal By-Product
AFSVPA	Authority for Food Safety, Veterinary and Phytosanitary Affairs
BoE	Beneficiary of Expropriation
CAP	Common Agricultural Policy
CPF	Common Fisheries Policy
CRFASD	Climate Resilient Fisheries and Agrifood Sector Development Project
DfF	Directorate for Fisheries
DfP	Directorate for Payments
EHS	Environmental, Health, and Safety
EIA	Environmental Impact Assessment
ESCP	Environmental and Social Commitment Plan
ESMF	Environmental and Social Management Framework
ESF	Environmental and Social Framework (World Bank)
ESIA	Environmental and Social Impact Assessment
ESS	Environmental and Social Standard
GBV	Gender-Based Violence
GM	Grievance Mechanism
IACS	Integrated Administration and Control System
IFC	International Finance Corporation
ILO	International Labor Organization
IPF	Investment Project Financing
LM	Local Municipalities
LHSW	Law on Safety and Health at Work
LMP	Labor Management Procedure
MAFWM	Ministry of Agriculture, Forestry and Water Management
MIDAS	Montenegro Institutional Development and Agriculture Strengthening Project
MIDAS2	Second Montenegro Institutional Development and Agriculture Strengthening Project
MNE	Montenegro
MoF	Ministry of Finance
OHS	Occupational Health and Safety
PAD	Project Appraisal Document
PA	Paying Agency
PAP	Project Affected Parties
PARO	Paying Agency Regional Office
POM	Project Operational Manual
PPE	Personal Protective Equipment
PMT	Project Management Team
RPF	Resettlement Policy Framework
RAP	Resettlement Action Plan
SEA	Sexual Exploitation and Abuse
SEP	Stakeholder Engagement Plan
SH	Sexual Harassment
TSU	Technical Services Unit
WB	World Bank
WG	Working Group
W-GRM	Workers' Grievance Redress Mechanism

Glossary of terms

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	<p>The Cut-Off Date is the date after which any person moving into the project area, or making improvements to land/assets will not be eligible for compensation or assistance under this RPF. The Cut-Off Date will be formally announced and disclosed by the PMT and relevant municipalities at the start of the Census and Socio-Economic Survey for each sub-project.</p> <ul style="list-style-type: none"> For each RAP, the Cut-Off Date will be the last day of completion of the Census of Project-Affected Persons (PAPs) and inventory of affected assets. Public notices will be posted on and around the intended project locations, at municipal offices, local admission desks, community centers, and on the PMT/MAFWM websites, and announced through local printed and other media. The date and process will be documented in the RAP and verified by the World Bank.
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	<p>Compensation and additional assistance which affected people have the right to receive during resettlement. Entitlements are defined for all Project-Affected Persons (PAPs) identified and enumerated prior to the Cut-Off Date. They cover losses and impacts directly attributable to project activities, including land acquisition, restrictions on land use, or economic displacement.</p> <p>Entitlements are presented in detail in this RPF through the Entitlement Matrix, which specifies who is entitled, the type of compensation and/or assistance to be provided, and under what conditions.</p>
Expropriation	The process whereby a public authority by the power of eminent domain, in return for compensation, requires a person, household or community to relinquish rights to properties (land and structures) that it occupies or otherwise uses
Forced Eviction	Refers to 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, including all applicable procedures and principles in this RPF. 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 this RPF, and is conducted in a manner consistent with basic principles of due process (including provision of adequate advance notice, meaningful opportunities to lodge grievances and appeals, and avoidance of the use of unnecessary, disproportionate, or excessive force). Forced evictions refer to the coerced displacement of individuals, groups and communities from their homes, lands and/or common property resources (either legally owned or informally occupied) without the provision of, and access to, appropriate forms of legal and other protection.
Involuntary resettlement	Refers to Project-related impacts of resettlement without persons affected having the right to decline land acquisition or restrictions on land use, 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. Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition that will result in displacement. This occurs in cases of lawful expropriation or restrictions on land use based on eminent domain; and in cases of negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.
Land	Land includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and appurtenant water bodies
Land Acquisition	Refers to all methods of obtaining land for project purposes, which may include outright purchase, expropriation of property and acquisition of access rights, such as easements or rights of way. Land acquisition may also include: (a) acquisition of unoccupied or unutilized land whether or not the landholder relies upon such land for income or livelihood purposes; (b) repossession of public land that is used or occupied by individuals or households; and (c) project impacts that result in land being submerged or otherwise rendered unusable or inaccessible. "Land"

	includes anything growing on or permanently affixed to land, such as crops, buildings and other improvements, and appurtenant water bodies.
Livelihood	Refers to the full range of means that individuals, families and communities utilize to make a living, such as wage-based income, agriculture, fishing, foraging, other natural resource- based livelihoods, petty trade and bartering.
Market Value	Value calculated based on prices of property in the area in which the particular property is acquired, which can be achieved for a particular property on the market, depending on supply and demand at that moment of setting the price.
Moving Allowance	Cash compensation for costs directly associated to moving/relocation of a household or business.
Transitional support	<p>Support (cash or otherwise) will be provided to Project-Affected Persons (PAPs) who experience project-related physical or economic displacement . The allowance is intended to:</p> <ul style="list-style-type: none"> • Facilitate adjustment immediately after displacement; and/or • Support PAPs with interim living or business expenses until replacement housing, land, or livelihood resources become available. <p>Transitional support will be provided as necessary to all economically displaced persons, based on a reasonable estimate of the time required to restore their income-earning capacity, production levels, and standards of living</p>
Physical Displacement	relocation, loss of residential land, or loss of shelter, house/apartment, dwelling as a result of project-related land acquisition which requires the affected person to move to another location.
Project Affected People (PAP)	Any person who, as a result of an of the following: land Acquisition, Restrictions on Land Use and Involuntary Resettlement directly attributable to the project, loses the right to own, use, or otherwise benefit from a built structure, land, annual or perennial crops and trees, or any other fixed or moveable asset, either in full or in part, permanently or temporarily.
Replacement Cost	<p>Defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement material and labor for construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets acceptable minimum community standards of quality and safety.</p> <p>The valuation method for determining replacement cost should be documented and included in relevant resettlement planning documents. Transaction costs include administrative charges, registration or title fees, reasonable moving expenses, and any similar costs imposed on affected persons. To ensure compensation at replacement cost, planned compensation rates may require updating in project areas where inflation is high or the period of time between calculation of compensation rates and delivery of compensation is extensive.</p>
Restrictions on Land Use	Refers to limitations or prohibitions on the use of agricultural, residential, commercial or other land that are directly introduced and put into effect as part of the project. These may include restrictions on access to legally designated parks and protected areas, restrictions on access to other common property resources, restrictions on land use within utility easements or safety zones.
Resettlement Policy Framework	This document developed when the exact nature or magnitude of the land acquisition or restrictions on land use related to a project, or its components, with potential to cause physical and/or economic displacement is unknown due to the project development stage. The purpose of a framework is to set resettlement principles, organizational arrangements, and design criteria to be applied in case involuntary resettlement becomes unavoidable Once the subprojects and individual project components are defined and the necessary information becomes available, the framework is expanded into a specific plan proportionate to potential risks and impacts (see item Resettlement Action Plan below).
Resettlement Action Plan	<p>The document in which a client specifies the procedures it will follow and the actions it will take to mitigate adverse effects, compensate losses and provide development benefits to persons and communities affected by an investment project.</p> <p>Resettlement plans are prepared for any project that results in economic or physical displacement. The scope and level of detail of the plan varies with the magnitude of displacement and complexity of the measures required to mitigate adverse impacts.</p>
Negotiated Settlements	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. In Montenegro, the Law on Expropriation (Article 52) allows for negotiated settlements between the Beneficiary of Expropriation and property owners. If both parties reach agreement on the compensation amount and type, the expropriation procedure is terminated. However, while legally permitted, this approach is not strongly encouraged under Montenegrin law and remains secondary to the formal expropriation process, which is the prevailing practice for acquiring land in the public interest..
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 People/ Groups	<p>Vulnerable people are those 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 have limited ability to claim or take advantage of resettlement assistance and related development benefits. Groups or persons who may be particularly vulnerable include, but are not limited to:</p> <ul style="list-style-type: none"> • Poor households; • People with physical or mental disabilities; • Refugees and internally displaced persons; • Children, women, elderly persons, or individuals with chronic illness; • Households headed by children or females; • Households with no, or very limited, resources; • Ethnic minorities (such as Roma or others); • People without legally recognized land or use rights. <p>In the context of this Project disadvantaged or vulnerable individuals/groups are also those more likely to be adversely affected by project impacts and/or more limited in their ability to access project benefits. They are also more likely to be excluded from, or unable to participate fully in, mainstream consultation processes, and therefore may require specific measures or targeted assistance to ensure meaningful participation. Such measures may include, but are not limited to:</p> <ul style="list-style-type: none"> • Providing information in simplified, culturally appropriate, or translated formats; • Holding separate focus group discussions or household-level meetings; • Ensuring presence of facilitators, interpreters, or social workers for specific groups; • Tailoring engagement to consider age (support for the elderly or minors, including in cases where they are separated from their families or communities); • Adapting venues, times, and communication methods to ensure accessibility for people with disabilities, women with caregiving responsibilities, or other disadvantaged groups.

Executive Summary – Resettlement Policy Framework (RPF)

Climate Resilient Fisheries and Agrifood Sector Development Project (CRFASD), Montenegro

Project Rationale and Objectives

Montenegro's fisheries and agrifood sectors are essential for jobs, rural and coastal livelihoods, food security, and EU accession. With World Bank support, the Government will implement the **CRFASD Project (2026–2030)** to modernize infrastructure and institutions, improve climate resilience, and align with EU requirements.

Financing: IBRD loan **€33 million** (US\$ ~37.6m)

Implementing agency: Ministry of Agriculture, Forestry and Water Management (MAFWM) via a strengthened Project Management Team (PMT)

Primary locations: Ulcinj (Fishing Port), Nikšić (Animal By-Product facility; new Paying Agency Regional Office—PARO), Bar (PARO reconstruction)

National reach: Services (notably the ABP system and Paying Agency) serve beneficiaries throughout Montenegro.

The ESMF is the umbrella instrument that sets out how the Project will meet Montenegrin law and the World Bank Environmental and Social Framework (ESF), managing risks transparently and consistently across all subprojects, including those whose detailed designs will be finalized during implementation.

Project Description and Scope

Components and Core Investments

Component	Objective	Illustrative Activities
1. Fisheries Development & Institutional Readiness (EU Chapter 13)	Safer, cleaner, climate-resilient fisheries and stronger governance	New Fishing Port (FP) at Cape Đeran–Velika Plaža (Ulcinj) with hygienic landing areas, cold chain (ice/cold storage), maintenance and power; training for fishers; digital registries; inspection equipment; support to fisher associations
2. Institutional Readiness for EU Accession (EU Chapters 11 & 12)	EU-compliant payments, food safety, and animal by-product (ABP) management	Upgrade Directorate for Payments to a Paying Agency (PA) incl. IACS; new PARO in Nikšić and reconstruction in Bar; ICT and staff training; build a national ABP facility (Nikšić) with traceability systems, specialized vehicles, biosafety protocols, and awareness campaigns
3. Project Management	Effective, accountable implementation	Staffing, fiduciary, monitoring & evaluation, audits, citizen engagement, grievance redress. The existing MIDAS2 PMT will be strengthened with a Civil Engineer (full-time), Social Development Specialist (full-time), and ABP Specialist (veterinary expertise)

Geographic Focus and Reach

- **Ulcinj:** New climate-resilient Fishing Port at Cape Đeran–Velika Plaža.
- **Nikšić:** National **ABP facility** and **new PARO**.

- **Bar: PARO reconstruction.**
 - **National Services:** Paying Agency and ABP system benefit producers and municipalities nationwide.
-

Objectives of the RPF

The RPF establishes the principles, processes, and organizational arrangements that will guide resettlement planning during implementation. Its main objectives are to:

- Define procedures for screening and due diligence to determine the applicability of ESS5.
 - Ensure that any loss of land, assets, or livelihoods is compensated at **full replacement cost**, without depreciation or deductions.
 - Align Montenegro's legal framework with **World Bank ESS5**, bridging identified gaps.
 - Protect the rights of vulnerable groups through targeted support.
 - Establish a **gender-sensitive approach**, ensuring joint registration of entitlements where relevant.
 - Require preparation and approval of site-specific **Resettlement Action Plans (RAPs)** prior to land entry or civil works.
 - Provide clear processes for **consultation, disclosure, and grievance redress**.
-

Key Principles Guiding Resettlement

The RPF commits the Project to the following:

- Avoid involuntary resettlement where possible; minimize it where unavoidable.
 - Prohibit forced eviction.
 - Provide compensation at full replacement cost before displacement.
 - Ensure that PAPs' livelihoods are restored or improved to pre-displacement levels.
 - Give special support to **vulnerable groups** (e.g., women-headed households, the elderly, Roma, and low-income households).
 - Apply transparent and participatory processes in consultations and disclosure.
 - Establish and maintain an **accessible Grievance Redress Mechanism (GRM)**.
-

Potential Resettlement Impacts

While core project sites (Ulcinj Fishing Port, Nikšić ABP Facility, Paying Agency offices) are located on public land and **no displacement is foreseen**, the RPF applies if:

- Design adjustments during implementation affect private land.
 - Temporary land occupation or restricted access is required.
 - Informal users or small-scale economic actors (e.g., fishers, vendors) are affected.
 - Associated facilities (e.g., access roads, utilities) create land-related impacts.
-

Legal and Institutional Framework

The RPF is grounded in:

- **National Framework:** Law on Expropriation, Law on Property Relations, Law on Spatial Planning and Construction, Law on Legalization of Informal Structures, Family Law, and anti-discrimination laws.
- **World Bank ESS5:** Requires avoidance/minimization of displacement, compensation at full replacement cost (including transaction costs), livelihood restoration, protection of vulnerable groups, and meaningful consultation.

Gap Analysis (National Law vs ESS5)

Topic	Montenegro Law	ESS5	Gap / RPF Mitigation
Avoidance of resettlement	Not explicitly required	Must avoid/minimize	RPF mandates alternatives explored.
Eligibility	Recognizes only formal/legal owners	Includes informal users	RPF extends eligibility to non-title holders present at cut-off date.
Valuation	Market value, subject to deductions	Full replacement cost	RPF ensures no depreciation or deductions; includes transaction costs.
Socio-economic surveys	Not systematic	Required	RPF mandates census and livelihood surveys for all RAPs.
Vulnerable groups	Limited recognition	Requires targeted support	RPF introduces tailored assistance measures.
Gender	Titles may be male-dominated	Equal treatment required	RPF promotes joint titling and gender-sensitive consultations.

Entitlements and Eligibility

All PAPs are entitled to compensation and assistance proportionate to their losses.

Entitlement Matrix (summary)

Type of Loss	Eligible Persons	Entitlements
Land	Owners (formal/informal)	Compensation at full replacement cost; assistance with registration/transfer costs
Residential/commercial structures	Owners or recognized occupiers	Replacement cost of structure; relocation assistance
Livelihood sources (business, trade, fishing)	Registered and informal users	Cash compensation for lost income; livelihood restoration support
Vulnerable households	Poor, elderly, disabled, women-headed households, Roma	Additional targeted support (priority employment, social services, tailored assistance)
Transitional support	Displaced households	Moving allowance; transitional income support until resettlement/livelihoods restored

Instruments and Procedures

- **Resettlement Action Plans (RAPs)** will be prepared if any subproject causes displacement.
- **Census and socio-economic surveys** will identify PAPs and vulnerable groups.
- **Cut-off date** will be set at the completion of the census and publicly announced.
- **Negotiated settlements** encouraged to avoid administrative delays and minimize disputes.

Consultation, Disclosure, and Grievance Mechanism

- Continuous, meaningful **consultations** with PAPs, local governments, and stakeholders.
 - Disclosure of RPF and RAPs in Montenegrin and accessible formats.
 - Establishment of a **Project-level GRM**: free, confidential, and accessible to all PAPs, including vulnerable groups, with escalation options and monitoring.
-

Institutional Arrangements and Budget

- **PMT (MAFWM)** is responsible for RPF and RAP oversight.
 - **Technical Services Unit (TSU)** handles fiduciary aspects.
 - **Supervision Consultant** ensures monitoring, audits, and compliance.
 - Adequate **budgetary provisions** will be included in overall project financing to cover all resettlement costs, including contingencies.
-

Monitoring and Evaluation

- Internal monitoring by PMT and external verification (if impacts significant).
 - Quarterly progress reports to the World Bank, including gender- and vulnerability-disaggregated data.
 - Completion reports and evaluation of livelihood restoration.
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Conclusion

While no displacement is expected, the **RPF provides a robust safeguard** to ensure that any land acquisition or resettlement arising from the CRFASD Project is carried out transparently, fairly, and in line with both **Montenegro's legal framework and World Bank ESS5**. It ensures that PAPs are not worse off—and ideally are better off—through full compensation, livelihood restoration, and inclusive, participatory processes.

1 Introduction

1.1 Brief description of the Project

Montenegro's fisheries and agrifood sectors are essential to its rural and coastal economy, food security, and sustainable livelihoods. These sectors contribute significantly to employment, income generation, and the provision of safe and nutritious food—especially in regions where alternative economic opportunities are limited. However, the sectors face systemic constraints, including limited competitiveness, outdated infrastructure, fragmented value chains, weak public service delivery, and increased vulnerability to climate change.

To address these challenges and advance progress toward European Union (EU) accession, the Government of Montenegro, with support from the World Bank, is preparing the Climate Resilient Fisheries and Agrifood Sector Development Project (CRFASD). This new operation builds on the achievements of the Montenegro Institutional Development and Agriculture Strengthening (MIDAS) and MIDAS2 projects, which laid the groundwork for EU-aligned institutional frameworks such as the Paying Agency (PA) and the Integrated Administration and Control System (IACS). MIDAS2 has also financed key upstream investments for CRFASD, including technical studies, detailed designs, and environmental and social due diligence for priority investments.

The CRFASD will scale up and consolidate these achievements by financing investments across **three interlinked components, two technical components and a project management component**, including both infrastructure (hard) investments and institutional (soft) support:

Component / component	Sub-	Objective	Key Activities
Component 1: Fisheries Development and Institutional Readiness for EU Accession (Chapter 13)		Enhance climate resilience and productive capacity of fisheries sector through resilient infrastructure and strengthened DfF capacity.	
Sub-component 1.1: Climate Resilient Fisheries Infrastructure Development	1.1:	Establish a climate-resilient Fishing Port (FP) at Cape Djeran–Velika Plaza and build fishers' capacity for value addition and market access.	<ul style="list-style-type: none"> • Construction of FP with docking, storage, handling, packaging, cold storage, and auxiliary services. • FP designed with climate-adaptive standards and inclusive governance (women's participation). • TA for construction supervision. • Capacity building in post-harvest handling, reducing food loss, hygiene/quality standards, and market access (supporting women in processing/marketing).
Sub-component 1.2: Strengthening DfF's Capacity for EU Compliance	1.2:	Improve administration, inspection, and control capacities of the DfF in line with EU Common Fisheries Policy (CFP).	<ul style="list-style-type: none"> • Upgrading fishers' registry and records. • Development of strategic documents and secondary legislation. • Mid-term and final evaluation of fisheries strategy.

Component 2: Institutional Readiness for EU Accession (Chapters 11 & 12)	Support Montenegro's compliance with EU requirements in agriculture, rural development, and food safety; reduce methane emissions; enhance climate resilience.	<ul style="list-style-type: none"> • Provision of equipment/vehicles, training and capacity building for staff and inspectors (flexible training formats).
Sub-component 2.1: Establishment of a Fully Functional Paying Agency	Strengthen Directorate for Payments (DfP) into an accredited Paying Agency (PA) with functional IACS.	<ul style="list-style-type: none"> • Establish new Paying Agency Regional Offices (PAROs) in Nikšić and Bar. • Procurement of office furniture, equipment, ICT. • Upgrade of IACS. • Development of regulatory framework and strategic documents. • Capacity building of PA/MAFWM staff (inclusive, flexible training). • Implementation of PA action plan for rural measures and accreditation. • Climate-resilient and universally accessible PARO designs.
Sub-component 2.2: System for Management and Safe Disposal of Animal By-products (ABPs)	Establish a sustainable, EU-compliant ABP management and disposal system.	<ul style="list-style-type: none"> • Construction of ABP facility in Nikšić with disaster-resilient design. • Procurement of ICT, office infrastructure, energy-efficient vehicles. • Capacity building for AFSVPSA staff. • Creation of secure system for animal waste disposal, reducing methane emissions, recycling into valuable products.
Component 3: Project Management	Support project management and coordination, ensuring effective implementation and compliance.	<ul style="list-style-type: none"> • Strengthening Project Management Team (PMT) with additional experts. • Financing coordination, staffing, consultancy services, operating costs. • ESF and fiduciary compliance. • Monitoring & evaluation (gender-disaggregated data). • Audits, accountability, and grievance redress systems. • Training for PMT staff in climate change and gender equality.

The total project financing amounts to EUR 33 million (US\$ 37.5 million equivalent) and will be implemented during the period 2026–2030. The CRFASD is fully aligned with Montenegro's national development strategies and EU pre-accession priorities, including the Strategy for Agriculture and Rural Development (2023–2028), the Fisheries Strategy and Action Plan (2024–2029), and the National Strategy for Sustainable Development until 2030. It also contributes to Montenegro's international commitments under the Paris

Agreement and the EU Green Agenda for the Western Balkans, by enhancing climate resilience and reducing environmental risks—especially through improved ABP management and sustainable fisheries infrastructure.

While interventions will be concentrated particularly in the municipalities where investments will take place — such as Ulcinj, Nikšić, and Bar — access to the improved services and facilities, especially the Animal By-Products (ABP) facility, will be available at the national level.

The project is being prepared and will be implemented in accordance with the World Bank's Environmental and Social Framework (ESF)¹. To ensure compliance with the ESF requirements and national legislation, an Environmental and Social Management Framework (ESMF) has been developed to guide the identification, assessment, and management of environmental and social risks and impacts associated with all project activities.

In line with the provisions of Environmental and Social Standard 1 (ESS1): Assessment and Management of Environmental and Social Risks and Impacts, as well as ESS2: Labor and Working Conditions, ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement, and ESS10: Stakeholder Engagement and Information Disclosure, the following key framework documents have been prepared to support the overall environmental and social risk management of the Project:

- Environmental and Social Management Framework (ESMF)
- **Resettlement Policy Framework (RPF)**
- Labour Management Procedures (LMP)
- Stakeholder Engagement Plan (SEP)

These instruments collectively establish the environmental and social management approach for the project and provide practical guidance for ensuring compliance with national legal requirements and the World Bank ESF throughout the project lifecycle. It is highly unlikely that any of the activities under the above-mentioned project components will induce impacts stemming from involuntary land acquisition, restrictions on land, or resettlement. However, this RPF has been prepared on a precautionary basis to ensure that, should any impacts arise that fall under the scope of ESS5, the project has the necessary framework in place to address them in compliance with World Bank standards and national legislation.

1.2 RPF Background

Operations and activities for which the World Bank's Investment Project Financing (IPF) is sought after October 1, 2018, fall under the application of the Environmental and Social Framework (ESF). The ESF comprise, inter alia, the 10 Environmental and Social Standards (ESS) setting out mandatory requirements for the Borrower and the Project. ESS5 in particular sets out the requirements for Borrowers relating to the identification and assessment of social risks and impacts associated with projects supported activities requiring land acquisition, restrictions on land and Involuntary Resettlement. The likely nature or magnitude of the land acquisition or restrictions on land use related to the project with potential to cause physical and/or economic displacement is unknown at the project preparation stage, which is why this Resettlement Policy Framework (RPF) is prepared on a precautionary basis as elaborated under paragraph 1.5 below.

1.3 Objectives of This RPF

The overarching objective of this RPF is to clarify the resettlement principles, organizational arrangements, and design criteria to be applied to all subprojects, project components, and associated facilities to be prepared during project implementation. Project activities that will cause physical and/or

¹ The ESF is accessible at - <https://www.worldbank.org/en/projects-operations/environmental-and-social-framework>. Latest accessed on November 3, 2022.

economic displacement will not commence until specific plans have been finalized , approved by the Bank and implemented. This RPF equally applies to facilities or activities that are not funded as part of the project and, in the judgment of the Bank, are: (a) directly and significantly related to the project; and (b) carried out, or planned to be carried out, contemporaneously with the project; and (c) necessary for the project to be viable and would not have been constructed, expanded or conducted if the project did not exist . Such facilities are recognized as Associated Facilities if all three criteria are met.

The specific objectives of this RPF are to:

- Define the due diligence and screening mechanism for activities supported by the project to determine relevance of ESS5 and this RPF;
- analyse MNE legal solutions pertinent to involuntary resettlement, relocation and loss of assets, including legal and administrative procedures and assessment of compensation to be paid for loss of assets;
- compare national requirements to ESS5 policies and international good practices, identify gaps, if any, and provide measures to achieve compliance with ESS5;
- identify key institutions alongside the PMT involved in Project implementation, including especially legally authorized state institutions implementing the procedures and safeguards of involuntary resettlement process;
- design monitoring and evaluation criteria to verify compliance with ESS5 and international good practices;
- determine eligibility criteria and compensation entitlement matrix per type of loss and person impacted;
- define the basic process of identification and evaluation of affected assets and the value of compensation to replace the loss of assets;
- provide instruments for prompt and effective compensation at full replacement cost for loss of assets or access to assets;
- provide a roadmap for preparation, approval procedure, outlines and implementation process of RAPs or other involuntary resettlement instruments in accordance with ESS5, as relevant;
- Ensure the RPF application is mandatory for all land acquisition past or future in direct relation or anticipation of the Project, regardless of the entity directly charged with the land acquisition process.
- specify requirements of public disclosure, disclosure of documents, public and community engagement through all phases of the Project, including RPF and RAPs development and disclosure and consultations;
- establish a gender-sensitive framework for resettlement in order to determine differentiated impacts understanding that economic and social disruption do not result in equal hardship for women and men;
- specify internal monitoring activities during all phases of Project implementation, especially regarding resettlement issues, safeguarding legal and under this RPF defined process, including reporting and evaluation of the resettlement process and external monitoring and evaluation to design corrective actions as necessary;
- Establish and operate a Project Grievance Mechanism (GM) to provide people who believe are adversely affected by project activities, an avenue to raise issues and concerns free of charge.
- Define the change management procedures in cases of design and location changes.

1.4 Fundamental principles guiding resettlement

This RPF provides binding principles applicable to all cases of physical resettlement, economic displacement and any other adverse social impacts associated with the Project's involuntary land acquisition needs. These principles shall govern the PMT's action, actions of its representatives, subsidiaries if any, all other state and local institutions involved in the Project implementation. Principles guiding land acquisition and resettlement under the Project are outlined below:

- Involuntary resettlement will be avoided by exploring all viable alternatives after taking into

consideration all facts such as public health or safety.

- When unavoidable, minimize involuntary resettlement by exploring Project design alternatives with the goal that adverse effects should be rendered to the bare unavoidable minimum.
- Forced eviction is prohibited. This however does not prevent action by a government to remove a person who continues to occupy land upon completion of the legal process of eminent domain or compulsory acquisition. Eviction is not considered to be forced eviction if it conforms to national law, including compliance with, and completion of, all relevant legal and administrative procedures, including appeals processes; complies with all the relevant requirements of ESS5, and is carried out in a way that respects basic principles of due process.
- When unavoidable, adverse effects and social impact occurs, all loss of property shall be mitigated by providing timely compensation for loss of assets at least at the value of replacement costs.
- PAPs will be assisted in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of Project implementation, whichever is higher.
- Negotiated settlements with affected persons are encouraged by this RPF prior to formal expropriation with the goal to help avoid administrative delays, and to the extent possible to reduce the impacts on affected persons.
- Resettlement must be managed in accordance with national applicable laws, ESS5 and accepted international good practices. Where gaps exist, more stringent provisions will prevail. Fundamentally, rules and policies that benefit the PAPs most will always prevail.
- The Project's PMT will oversee all resettlement activities from the early onset of project design, facilitating cost-effective, efficient and timely implementation of principles and objectives set by this RPF, as well to promote innovative approaches for improving the livelihoods and standards of living of those affected by involuntary resettlement.
- The Project will improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure (in cases of physical displacement).
- Additional targeted support will be provided to vulnerable groups and/or individuals affected by the Project, during resettlement process, as well as during implementation of all phases of the Project addressing their vulnerability.
- The Project will ensure a gender sensitive approach by inclusion of women, part of affected households, in all public consultation and discussions on specific mitigation measures. All activities in this RPF will aim to be gender tailored, with the goal to empower women and provide with the possibility to participate in mitigation measures provided for resettlement impact. The documentation for ownership or occupancy, such as title deeds and lease agreements (including the bank accounts established for payment of compensation), will be issued in the names of both spouses, if the expropriated assets are part of marital property of both spouses.
- Activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.
- Sub-Project specific RAPs, and other resettlement instruments as appropriate, will be prepared, publicly disclosed and consulted on before the land acquisition process is initiated
- Land access by the Project will not take place until and unless compensation has been fully paid or in exceptional cases the compensation has been deposited into an escrow or alike account.
- Activities under the Project causing physical or economic displacement are not allowed to commence before RAPs are adopted to allow affected persons and stakeholders to participate in Project development, planning and implementation of resettlement programs.
- An accessible Grievance Redress Mechanism (GRM) will be established **before the start of any project activities or consultations**, ensuring that affected people are able to submit concerns from the earliest stages of engagement. The GRM will remain in place throughout project implementation, including the resettlement cycle, to address grievances related to physical and economic displacement in line with this RPF. Stakeholders will be provided with clear,

timely, and accessible information about their grievance rights, available channels, and procedures. All grievances will be duly registered, reviewed, and considered during project implementation and resettlement activities.

- Resettlement activities will be conceived and conducted as sustainable projects by providing sufficient investment resources to enable principles and goals of resettlement defined by this RPF and subsequent RAPs to be fully achieved.

1.5 Estimated displacement impacts and justification for preparation of RPF

Project-related land acquisition—through all applicable methods, including outright purchase, expropriation, acquisition of access rights (such as easements or rights of way), and restrictions on land use (e.g., limitations or prohibitions on agricultural, residential, commercial, or other uses introduced as part of the project)—may occur, if at all, mainly in relation to activities under Component 1 and Component 2.

Although no physical or economic displacement is currently anticipated under the Climate Resilient Fisheries and Agrifood Sector Development (CRFASD) Project, the preparation of this Resettlement Policy Framework (RPF) in response to the precautionary approach taken should impacts falling under ESS5 be identified. The RPF ensures that any land-related impacts—whether due to final design changes, associated facilities, or unforeseen implementation needs—are addressed in line with the World Bank Environmental and Social Standard ESS5.

The likelihood of such acquisition is as follows:

Fishing Port Project (FPP) in Ulcinj

Under component 1, the Project will support Construction of fishing port at Cape Đeran–Velika Plaža, Ulcinj, situated at the mouth of the Port Milena channel. As defined under the Detailed Spatial Plan (DSL) Cape Djeran – Port Milena (OGM No. 111/20), the FPP includes:

- Construction of a new port basin and associated marine works;
- Land reclamation and port-related service infrastructure within Urban Parcel UP6 (approx. 10,885 m²);
- A designated parking area within Urban Parcel UP3 (approx. 965 m²);
- Construction of operational and support facilities for port management and service delivery.

All activities will be implemented on publicly owned land registered under the Government of Montenegro and the Municipality of Ulcinj. As confirmed by the Environmental and Social Impact Assessment (ESIA), no land acquisition or physical resettlement is required within the defined footprint. A nearby private parcel (7458/2) lies outside the project boundary and will not be affected.

However, the following considerations justify the preparation of the RPF:

a. Potential for Land-Related Impacts from Final Design Adjustments

Minor design adjustments during final design or implementation may result in:

- Temporary use or occupation of adjacent land (e.g., for laydown, access, or staging);
- Restricted access for informal or seasonal users (e.g., artisanal fishers or tourism vendors);

Limited economic displacement of individuals engaged in informal, small-scale livelihood activities (e.g., unregistered vendors, kiosks, street traders, or other users operating without formal tenure or permits in or around project areas).**b. Inclusion of Auxiliary Infrastructure and Associated Facilities**
To ensure the operational viability of the port, additional infrastructure may be needed, which is not part of the scope of the Project under the current Design, including:

- Access roads (e.g., from Salina to Cape Djeran);
- Utility extensions (electricity, water, wastewater, storm drainage);
- Public amenities (promenades, green buffers, pedestrian zones).

Although not financed directly under the FPP, if such activities are proposed and if these are identified as “Associated Facilities” under ESS1 (para. 11, footnote 17) and led to land acquisition, displacement or livelihood impacts, ESS5 requirements apply.

Animal By-Product (ABP) Facility and Associated Considerations

Under component 2.2 the CRFASD Project also supports the construction of an Animal By-Product (ABP) Facility to manage the safe, sanitary, and legally compliant processing and disposal of animal by-products not intended for human consumption (e.g., fisheries waste, expired animal products). This investment is essential to align Montenegro’s agri-food system with EU veterinary and hygiene regulations.

The PMT, on behalf of the Government of Montenegro, confirms that the Animal By-Product (ABP) Facility will be constructed on public land in Nikšić. No resettlement impacts are anticipated at the selected site. However, should any future changes in siting or technical design give rise to land acquisition, restrictions on land use, or other impacts falling under ESS5, the provisions of this Resettlement Policy Framework (RPF) will be fully applied.

In addition, auxiliary infrastructure required for the facility’s operation may involve:

- Internal access roads;
- Water, electricity, and wastewater connections;
- Stormwater drainage and sanitation buffers.

These elements may extend beyond the core facility footprint and could affect third-party land or restrict access. As such, they qualify as associated facilities under ESS1, and any resulting displacement triggers ESS5.

This RPF will guide the management of any such impacts, and if required, a site-specific Resettlement Action Plan (RAP) will be prepared accordingly.

Reconstruction of the Paying Agency Regional Offices (PAROs)

Under Component 2.1 of the CRFASD Project, the Paying Agency for Agriculture, Fisheries, and Rural Development will be supported through digital transformation and targeted physical infrastructure upgrades. This involves:

- **Reconstruction / Construction of PAROs:** Construction of a new PARO in Nikšić and reconstruction of existing PARO in Bar, with climate-resilient and accessible design.

These interventions will be confined to publicly owned properties and/or executed within existing premises. Sites will be primarily selected on the basis of **public ownership**, to the extent technically and financially feasible (i.e., alternative siting on non-public land would only be considered if no technically suitable or financially viable public land is available). Accordingly, no land acquisition, expansion beyond property boundaries, or resettlement is foreseen.

Therefore, this activity does not trigger ESS5. In the event of minor temporary disruptions during construction (e.g., access limitations), these will be mitigated through stakeholder engagement, site-level planning, and the implementation of measures defined in the Environmental and Social Management Framework (ESMF). In line with the ESMF, a site-specific Environmental and Social Management Plan (ESMP) (or ESMP checklist, where appropriate) will be prepared for the reconstruction of existing PAROs (e.g., Bar) and the construction of new PAROs (e.g., Nikšić) to ensure that construction-related impacts are

adequately managed.

Once the technical documentation for the activities is completed, a due diligence process will be undertaken as outlined in this RPF, and individual RAPs, if needed, proportionate to potential risks and impacts will be prepared compliant with this RPF. 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.

2 Legal framework

2.1 National legal framework guiding resettlement

The key law pertinent to Land acquisition and Resettlement in Montenegro is the Law on Expropriation, details of which are presented in the following chapter.

2.2 Law on expropriation

The Law on Expropriation (Official Gazette No. 055/00, changes 012/02, 028/06, 021/08, 030/17, 75/18) focuses on the process of acquiring and providing compensation, or in specific circumstances replacement property, for any affected property acquired for implementation of project in public interest. It addresses physical and economic displacement for those with legal rights according to the law. The Law on expropriation does not use the term "involuntary resettlement", but instead uses the term "expropriation" which is based on the governments eminent domain power. It also defines the requirements and agreements related to expropriation and compensation issues including legal remedy available under the Law.

The main provisions of the Law are as follows:

- Outright purchases of immovable property (land, residential and other structures) are defined as **full (complete) expropriation**. **Partial (incomplete) expropriation** includes the instigation of an easement over the immovable property or a lease of land for up to 3 years. Temporary occupation of land is also possible when needed for construction or other works (accommodation of workers, materials, machines, etc.).
- The beneficiary of expropriation may submit the expropriation proposal only after declaration of public interest (by law or by the Government of Montenegro). The BoE submits expropriation proposal to the authority of the regional unit of the municipality on whose territory the property proposed for expropriation is located.
- The expropriation proposal has to include: (i) information on the properties to be expropriated, (ii) proof that public interest has been declared, and (iii) proof that the expropriation beneficiary has paid the entire amount of compensation to the designated account with the Finance Ministry in advance of commencement of expropriation.
- The Law allows for negotiated settlements on the amount and type of compensation between the expropriation beneficiary and property owners, until the Decision on Expropriation becomes valid. In that case, the expropriation procedure is terminated.
- If a negotiated settlement has not been reached, the competent authority issues a Decision on Expropriation but is required to enable property owners to raise their concerns before issuing the Decision. The amount of compensation is specified in the Decision.
- Affected persons are entitled to lodge an appeal against the Decision with the Finance Ministry. Any decisions of the Ministry of Finance may further be challenged by affected persons by initiating an administrative dispute with the administrative court.

The expropriation beneficiary may acquire possession of the affected property when the Decision on Expropriation becomes final, subject to the following conditions compensation has been paid, or replacement property provided or the owner refused to accept compensation. To enter possession, the beneficiary must file a **request to the competent authority** with proof that these obligations were fulfilled.

- If it is determined that the expropriation of a part of the owner's property would result in the owner having no economic interest in using or not being able to use the remainder of the property, that remaining part of the property will also be expropriated at his/her request. All persons who have formal legal rights on land and structures, as registered by the Cadaster,

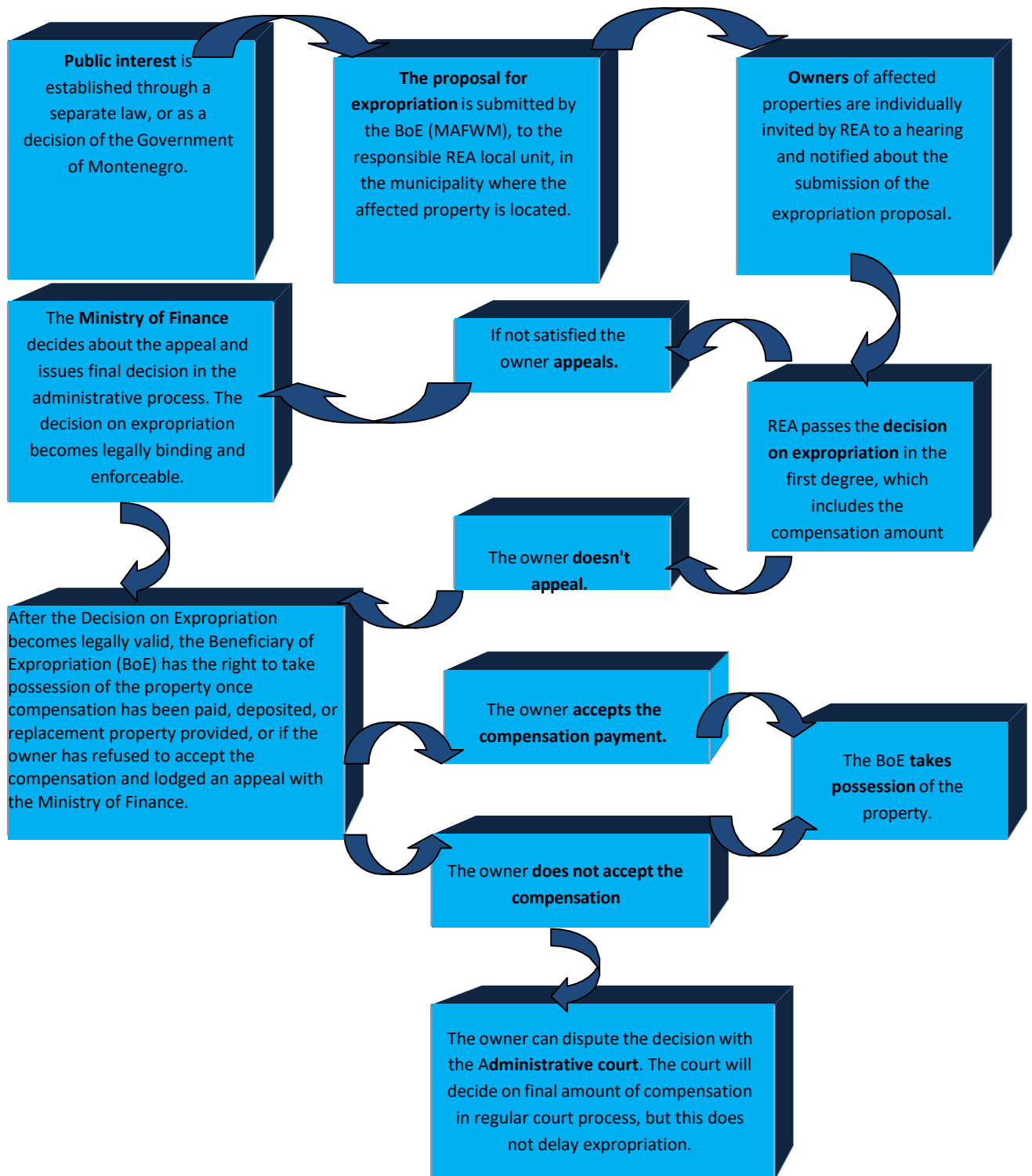
are entitled to compensation. Compensation provided to formal owners of property is defined as fair compensation in cash or in kind (replacement property). When compensation is provided in cash, it is determined “in the amount of the market value of similar properties in the area, plus any losses of income during the resettlement period). When compensation is provided in kind, the owner is provided with replacement property at the same value as the previous property, plus any losses of income during the resettlement period.

- The Law regulates in detail the types of compensation for different assets (agricultural land, construction land, residential facility, commercial premises, forests, crops, etc.)
- The Law stipulates that the socio-economic conditions must be taken into consideration if such circumstances are “of significance to the livelihood of the owner” (large number of household members, number of household members earning income, the health status of the household members, monthly income of the household, and other vulnerabilities etc.).
- The amount of compensation is determined by a committee established by the competent authority and approved by the competent authority. The committee consists of five members, of which at least three members must be court experts for valuation of property. The methodology for valuation is defined by the *Ordinance on Methodology for Assessing Property Value*⁴ adopted by the Finance Ministry.
- **Property rights on the new property are formally transferred** based on the final Decision on Expropriation and proof that compensation has been provided/paid.

The Law foresees rights **of affected persons (those with formal legal rights) to appeal** at many stages of the expropriation procedure, beginning with administrative and judicial appeals (i.e. against the decision on public interest and the decision on expropriation). Nonetheless the 2018 amendments to the Law on expropriation have removed the option to challenge compensation through judicial review

- Those who have formal legal rights are **informed throughout the expropriation process** (i.e. passing of the decision on public interest; before the decision on expropriation is passed, the municipal office in charge of expropriation has to invite the affected person with formal legal rights to a meeting to present any facts which may be relevant for expropriation).

This is a step-by-step presentation of the expropriation process, as defined by the Expropriation law:



2.3 Other laws and regulations influencing resettlement process

The Constitution of Montenegro promotes civil and human rights, prohibition of discrimination, gender equality etc. Based on the Constitution ratified international agreements and generally accepted rules of international law shall make an integral part of the internal legal order, shall have the supremacy over the national legislation and shall apply directly when they regulate relations

differently than the national legislation. This provision of the MNE Constitution is a significant tool in direct implementation of WB Environmental and Social Standards in all Project aspects. Furthermore, the Constitution of Montenegro proclaims protection and guarantees of human rights embodied in the International Bill of Human Rights. On May 11, 2007, Montenegro became a full member of the Council of Europe with all its rights and obligations.

Below are the most relevant MNE laws and regulations of relevance to the process of involuntary land acquisition and resettlement:

Law of Reference Main Features

Laws and regulations of principal importance to property ownership, land tenure and compensation

Law on the Legalization of Illegal Constructions"² (published in the "Official Gazette of Montenegro", No. 91/2025 of August 6, 2025 - The Government of Montenegro has adopted a new Law on the Legalization of Illegal Buildings, providing citizens with an opportunity to legalize existing unauthorized structures while enforcing a zero-tolerance policy on future illegal constructions.

A recently commissioned satellite survey will identify all illegal changes across Montenegro's territory, and sanctions will be applied impartially according to the law.

This legislation aims to end decades of unregulated development by establishing a system of planned, responsible, and lawful construction.

Key provisions include:

- Mandatory registration of legalized buildings in the real estate cadastre within six months, after which registration will no longer be possible.
- Clear criteria for which buildings are not eligible for legalization.
- Specific regulations for legalizing buildings in protected zones.
- Division of responsibilities: local governments will handle legalization of buildings up to 500 m², while a ministerial state body, the Legalization Administration, will manage larger buildings and those in protected areas.
- Procedures for assessing structural and seismic stability, including protocols if a building is deemed unstable.
- Detailed rules for legalization of collective buildings and land acquisition or payment when illegal buildings are on state-owned land.
- Obligations for Notaries: to respect restrictions preventing property transfer or business activities on illegal buildings without initiated legalization procedures.
- Once legalization is approved, external building appearance does not need further approval.
- Public call will be issued for owners of illegal buildings on state land to register their properties within six months; after this deadline, unregistered buildings will be registered under the landowner, i.e., the State.

This legislation is expected to preserve Montenegro's limited spatial resources, increase municipal revenues through legalization fees, and improve standards of urban and infrastructure improvements to enhance quality of life.

² [Montenegro adopts new law to legalize illegal buildings and enforce zero tolerance on future unauthorized construction - Montenegrobusiness](#)

Law on property and property relations (Official Gazette No. 019/09) - Stipulates fundamental provisions of property relations, including the right of ownership and other rights in rem, possession of movable and immovable property, as well as the manner of acquiring, transfer, termination and protection of ownership rights, co-ownership and joint ownership rights, right on yields emanating from owned thing, easement rights etc.

- Defines that property rights are acquired through the creation of a new thing (i.e. construction), merging, mixing, construction on another's land, separation of fruits, adverse possession, acquisition of property from non-owners, occupation and in other cases determined by law.

Law on Restitution of Property Rights and Compensation

(Official Gazette Nos. 21/04, 49/07, 60/07, and in 2024)

This law governs the restitution and compensation for property confiscated during the socialist era. It prioritizes the return of confiscated property to former owners when feasible. If restitution is not possible, compensation may be provided in the form of monetary payments, bonds, or other state-owned assets. Eligible beneficiaries include individuals and legal entities whose property was taken for public, state, social, or cooperative purposes without fair compensation. The law establishes a Government-level Compensation Fund and mandates the maintenance of a restitution claims register, managed by the Commission for Restitution and Compensation under the Ministry of Finance. In practice, implementation is complex and gradual, with limited restitution progress and delays in issuing compensation bonds. Due to a disconnect between this law and the Expropriation Law, coordination with the Ministry of Finance during Resettlement Action Plan (RAP) development is necessary.

Legal Framework Prohibiting Forced Evictions

(Implied through various national and international human rights instruments)

Forced evictions are strictly prohibited at all stages of project implementation. Such evictions are defined as displacements carried out through coercion, threats, intimidation, or without due legal process. The legal framework requires comprehensive procedural and legal safeguards, including:

- Access to legal advice and representation;
- Formal notification about eviction reasons and sufficient notice period;
- Provision of temporary housing during relocation;
- Access to transitional food support;
- Access to healthcare services, including mental health support;
- Guarantee of continued education for displaced school-age children;
- Special support for vulnerable individuals, including the elderly, persons with disabilities, and pregnant women.

Law on Spatial Planning and Construction

(Official Gazette MNE Nos. 064/17, 044/18, 063/18, 011/19, 082/20)

This law provides a legal pathway for the legalization of informally constructed structures by allowing their formal inclusion in the national cadastre. It plays a critical role in the assessment of asset legality during resettlement planning. Importantly, the law also includes provisions for the protection of primary residences: if an informally built primary home is subject to expropriation, the responsible municipality is obliged to provide alternative housing to the affected household.

The Law on State Survey and Cadaster (Official Gazette No. 029/07, 032/11, 040/11, 043/15, 037/17 and 017/18) - Defines state survey, real estate cadastre and real estate registration, line cadastre, basic state map and topographic maps, state border survey, surveying and other issues of importance for state survey and cadastre.

- Establishes the Real Estate Property Cadaster as a single public record.
- Contains, inter alia, data on formal owners of the properties and data on expropriation.

The law on State property (Official Gazette No. 021/09 and 040/11) - Stipulates fundamental provisions on public ownership and other proprietary rights of the State and local self-government units.

Rulebook on Methodology for assessment of property value (Official Gazette No. 064/18) - Defines key principles of assessment of immovable property value, including those governing assessment in the process of expropriation.

- Stipulates that in certain cases of property assessment value (i.e. expropriation), certain additional legal or/and international standards that are to be followed must be precisely cited.
- Defines important concepts: time of assessment, fair value, fair market value, market value, investment value, market lease, the standard of continuous enterprise (in assessing loss in case of economic displacement), assessment methodology etc.

Laws and regulations of principal importance to expropriation and resettlement process, and PAP grievances

The law on Administrative Procedure (Official Gazette No. 056/14, 020/15, 040/16 and 037/17) - Regulates the rules and obligations of government authorities, state administration, local government, local government bodies, institutions and other entities exercising public authority activities, in order to achieve protection of the rights and legal interests of individuals, legal persons or other parties, as well as the protection of public interest (including expropriation and other process in resettlement before the state administration).

- Defines that decisions by administration bodies are subject to the possibility of administrative appeal (except if the appeal is not allowed by law) in the first instance, as part of the regular legal grievance mechanism available to PAPs.

The law on Administrative disputes (Official Gazette No. 054/16) - Regulates jurisdiction, composition of the court and rules of procedure on the basis of which the court decides on the legality of an administrative act and other administrative activities, in order to ensure the judicial protection of the rights and legal interests of individuals and legal entities and other parties, jeopardized by the actions of state authorities.

- Defines that against all decisions (or lack of decision) of government authorities, state administration, local government, local government bodies, institutions and other entities exercising public authority activities a court process can be initiated according to this law, as part of the regular legal grievance mechanism available to PAPs.

The law on Litigation court procedure (Official Gazette No. 022/04, 028/05, 076/06, 047/15, 048/15, 051/17, 075/17, 062/18, 034/19 and 042/19) - Defines principal rules for all civil court proceedings and cases of court disputes if not regulated by other laws in a different manner, including administrative disputes.

- Provides provisions of court process in all property issues cases and cases of compensation for damages, right of appeal in a second court instance, extraordinary court remedies, appeal jurisdiction and proceedings etc as part of the regular legal grievance mechanism available to PAPs.

Laws and regulations of principal importance to planning and construction (including large construction i.e. Project)

The law on Spatial planning and construction (Official Gazette No. 064/17, 044/18, 063/18 and 011/19) - Regulates the system of spatial planning in Montenegro, the manner and conditions for construction of structures and other issues of consequence to construction of structures.

- Regulates development of plans that are in correlation with large construction projects (spatial plan of Montenegro, regional and specific spatial plans etc.) which partially includes assessment of social and environment impacts, and are subject to revision, and if needed, they are obligated to explore viable alternatives in cases of severe social or environmental impacts.
- Regulates that the process of development and approval of spatial plans is subject to "public enquiry", which is a form of public consultation and the chance for stakeholders and PAPs to influence projects in an early stage, and by this legally defined process, are provided with a grievance mechanism as part of that approval of plans.
- Regulates process of concept and main construction design, including expropriation elaborate as the key document for the expropriation process, but also that is the only legally envisioned social assessment documents that needs to be prepared for a project.
- Defines a process of "legalization" of structures built without a proper construction license, thus also providing legal basis for compensation of owners of informally built structures in the process of expropriation and resettlement.
- Defines cases of removal of an informally built structure of basic residence, when the local municipality is obliged to provide alternative accommodation to the household.

The law on Local Self Government (Official Gazette No. 002/18 and 034/19) - Defines legal process and local institutional arrangements of spatial planning and construction in project of local public interest.

- Defines that local municipalities are responsible for establishing public interest for expropriation in projects of their own jurisdiction.

Laws and regulations of principal importance to issues of family relations, gender equality and social welfare

The Family law (Official Gazette No. 001/07 and 053/16) - Proclaims spouses individual and shared marital property and defines individual property as the property that the spouse acquired before the marriage, and property acquired during marriage through inheritance, gift or other forms of acquisition, and that the shared marital property constitutes the property that the spouses acquire in the course of work the duration of the marital community, as well as income from that property.

- Proclaims equality of spouses and forbids any form of discrimination.

The law on Prohibition of discrimination (Official Gazette No. 046/10, 040/11, 018/14 and 042/17) - Defines discrimination as any differentiation or unequal treatment of a person or group of persons exclusion, restriction or preference of a person that is based on race, skin colour, ethnicity, social or ethnic origin, affiliation to a minority nation or minority national community, language, religion or belief, political or other opinion, gender, gender change, gender identity, sexual orientation and/or intersex characteristics, health status, disability, age, financial status, marital or family status, affiliation to a group, political party or other organization, as well as other personal attributes.

- Forbids any form of discrimination and provides measures for protection against discrimination for persons or groups that may be subject to forms of discrimination.
- Ensure security of tenure.

Law on social housing (Official Gazette No. 027/13, 001/15, 042/15, 047/15) - Proclaims the right to social housing that can be realized by natural persons who do not have an apartment or other residential facility or persons whose residence facilities are not in the proper standard and which from the income they generate cannot provide a different residential facility.

- Proclaims that the right to social housing is exercised in a manner that the state or local municipality offers apartments for rent, allotment of construction land for the construction of social housing, by providing building materials for the construction of a new or reconstruction

of an existing residential building, giving subsidies for social housing and granting.

2.4 World Bank Environmental and Social Standard 5 on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement (ESS5)

Bank supported projects involving Land Acquisition, Restrictions on Land Use and Involuntary Resettlement involuntary resettlement are subject to ESS5³. The relevance of ESS5 is established during the due diligence process and environmental and social assessment described in ESS1.

The policy describes the procedures and instruments for mitigating negative economic and social issues that may arise. ESS5 is relevant in all cases when land acquisition or restrictions on land use that 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 ESS5 is applicable to:

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

The overall objectives of ESS5 are the following:

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

those affected.

2.5 Gap analysis

In general, the legislation in Montenegro is broadly compliant with **ESS5** requirements. The main gaps between national legislation and World Bank requirements, and the solutions addressed through this RPF, are presented in the table below. Given the level of alignment, it is concluded that reconciliation in areas where national law falls short can often be achieved during the **negotiation phase** (for both formal and informal owners/users), which is permitted by law, thereby avoiding formal expropriation.

The most prominent differences are related to deductions from the market value of land. This occurs in cases where only a portion of the property is expropriated and the value of the remaining land increases due to the project investment (capitalized value); in such cases the compensation amount is reduced proportionally. Other gaps include deductions for depreciation, the absence of explicit recognition of informal users and occupiers (as defined under ESS5), and limited recognition of settlements. In practice, however, persons without formal title over residential structures may be recognized as eligible under the **Law on Adequate Housing** and based on decisions of the **European Court of Human Rights in Strasbourg**.

Further shortcomings include the absence of requirements for a **project-specific grievance mechanism**, the lack of systematic **socio-economic surveys or assessments** (which are only carried out on a case-by-case basis where vulnerability is suspected), limited attention to **gender considerations** (beyond marital spouses), and consultation processes that are typically initiated only after formal expropriation proceedings begin. Assistance to vulnerable persons or groups is not defined in advance through targeted measures, although socio-economic characteristics of the owner/affected household (e.g., household size, income levels, health status) may be considered in determining compensation amounts and related benefits.

The analysis concludes that while the law provides avenues to address most of these gaps, these solutions need to be implemented earlier in the process than currently prescribed in national legislation. Where certain gaps cannot be closed through the timing of national procedures (e.g., ensuring compensation at full replacement cost before displacement, conducting socio-economic surveys prior to expropriation, or establishing a grievance mechanism before consultations begin), this RPF introduces additional mitigation measures to bring practice into full alignment with ESS5.

The table below provides an overview of specific gaps between the national land acquisition law vis - à-vis ESS5 and the recommendations for remedy and/or mitigation in order to comply with the ESS5 requirements.

Table 1 - Gap analysis between WB ESS5 and MNE legislation on expropriation

Subject	Law on Expropriation	World Bank ESS5	Gaps and measures for bridging the gaps
Resettlement instruments, census and social impact assessment	An Expropriation study as an inventory and plan of impacted land and structures, identified by cadastral plots and including list of formal owners is required and is part of any technical design. This study does not include socio-economic baseline conditions. It contains a census of PAPs and affected immovable assets. The socio-economic assessment is called for at the later stage conducted on a case-to-case basis.	Resettlement Plan is prepared proportionate to the risks and impacts associated with the (sub)projects. Where the likely nature or magnitude of the land acquisition or restrictions on land use is unknown, RPF is prepared. Census and socioeconomic survey must be conducted to identify PAPs, their demographic and socioeconomic characteristics, inventory of assets affected, magnitude of losses and extent of displacement, information on vulnerable groups or persons and additional studies the Bank may deem relevant.	A RPF (this document) will be developed to be followed by RAP as needed if impacts stemming from land acquisition are identified.
Avoidance and minimization of involuntary resettlement	The Law does not specifically require avoidance of involuntary resettlement. However, resettlement and expropriation are avoided or minimized in practice during project design, in the context of minimizing costs. In addition, the Law allows the expropriation beneficiary to reach a negotiated settlement on the amount and type of compensation with property owners, until the moment the Decision on Expropriation becomes valid in that case, the expropriation procedure is terminated.	Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs. The Borrower will consider feasible alternative project designs to avoid or at least minimize displacement.	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” chapter of this RPF.

<p>Community engagement</p>	<p>Engagement constrained to formal title holders (including those with recognizable rights) and no requirements for public consultations.</p>	<p>Meaningful consultations with affected persons and communities, local authorities, and other stakeholders need to be carried out during the preparation and implementation of resettlement instruments and throughout all phases of the Project.</p>	<p>Disclose in line with disclosure standards on the project and engage with the PAPs public consultation on this RPF and concurrent RAP. Encourage feedback and incorporate any comments received. Keep RPF and RAP in public domain during the Project life.</p>
<p>Cut-off date for eligibility and census</p>	<p>The cut-off date for eligibility of formal owners is already set under Article 45 of the Law on Expropriation, which establishes that rights are recognized as of the date when the expropriation proposal is submitted. However, the law does not require systematic public notification throughout the project area and does not extend to users without formal rights.</p>	<p>Normally, the cut-off date is the start of the census, but it can also be the date the project area was delineated, provided there has been effective public dissemination and continued communication to prevent opportunistic settlement.</p>	<p>Under this RPF, the cut-off date will follow Article 45 for formal owners (as implemented by national authorities), and will additionally be set as the completion date of the census and asset inventory for all other categories of PAPs. The PMT will ensure public announcements are made through municipal noticeboards, local media, and community meetings, and that notices warn that persons settling in the project area after the cut-off date will not be eligible for compensation or assistance. This dual approach ensures consistency with national law and alignment with ESS5.</p>

<p>Eligibility for compensation</p>	<p>The Expropriation Law recognizes only formal title holders and holders of rights recognizable under national laws (factual ownership). Based on the right to adequate housing, persons without formal title to the assets they occupy and use— particularly residential structures— are in practice sometimes recognized as eligible to receive assistance. In addition, the recently adopted Law on Legalisation of Informal Structures provides a mechanism for households occupying structures without formal permits to apply for legalization, thereby potentially strengthening their recognition under national law. The Law brings informal dwellings one step closer in recognition of eligibility for compensation but nonetheless introduce exclusion criteria which still keeps those dwellings falling under the exclusion criteria legally unrecognized in compensation procedures including expropriation. In conclusion the Law those not balance the status of formal and informal structures.</p>	<p>ESS5 recognizes, in addition to formal owners, those who have no recognizable legal right or claim to the land they are occupying as of the Cut-Off Date as eligible for relocation and rehabilitation assistance, as well as compensation for loss of non-land assets at full replacement cost.</p>	<p>Compensation and assistance to PAPs without legal rights or recognizable claims will be provided in line with the principles and entitlements in this RPF, if present in the project-affected area as of the Cut-Off Date. Asset inventories and valuations of affected properties will be conducted and recorded in regular project progress reports. Where PAPs are able to benefit from the Law on Legalisation of Informal Structures, the RPF will complement this process by ensuring they also receive full compensation and resettlement assistance under ESS5, irrespective of their legalization status. This ensures that all affected structures, whether formally legalized or not, are covered consistently with ESS5.</p>
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Valuation methodology for compensation for assets attached to the land	Compensation for loss of properties and assets should be at least equal to the market price. The compensation is reduced for depreciation including for capitalized value. Registration fees and transfer taxes are not specifically mentioned	Compensation equal to full replacement cost without depreciation.	Compensation and assistance to PAPs will be equal to full replacement cost as provided in the entitlement matrix of this RPF.
Transaction costs	The Law does not explicitly require coverage of transaction costs (e.g., registration fees, transfer taxes, administrative charges). These costs may be borne by affected persons, reducing the net value of compensation received.	ESS5 requires that compensation be provided at full replacement cost, including any transaction costs necessary to achieve such replacement. PAPs should not bear any deductions related to taxes, fees, or charges.	To bridge this gap, the RPF requires that compensation under the project will be at full replacement cost inclusive of all transaction costs, taxes, and fees. The PMT/MAFWM will ensure these costs are budgeted and covered by the Beneficiary of Expropriation so PAPs receive the full amount.

Escrow accounts	BoE is required to deposit with the Ministry of Finance the estimated funds for payment of compensation prior to start of expropriation.	If there are significant difficulties related to the payment of compensation to particular affected persons, on an exceptional basis, with prior agreement of the Bank, the PMT may deposit compensation (plus contingencies) into an interest-bearing escrow or other deposit account.	Under Montenegro's public finance system, users of public funds cannot open commercial escrow accounts. Instead, compensation funds will be deposited into a special treasury account ("escrow-like account") within the Ministry of Finance. These funds, including contingencies, will be earmarked for eligible PAPs and released in a timely manner once disputes are resolved. Use of such treasury-held funds will remain an exceptional measure, only when the PMT/MAFWM demonstrates that all other reasonable efforts to resolve disputes have been exhausted, and will require prior agreement of the Bank,
Taking possession of land and related assets	<p>The expropriated land and related assets can be taken once the decision on expropriation becomes enforceable and compensation or replacement assets have been provided or in cases the owner has declined to receive compensation.</p> <p>Exceptionally possession of land and assets can be taken before the decision on expropriation is legally binding in cases of urgency. In this case the PAPs will have choice to request value of assets to be determined either at the time possession has been taken or the at the time the compensation agreement is reached.</p>	Taking possession of assets only after full payment of compensation is a rule. In certain cases there may be significant difficulties related to the payment of compensation to particular affected persons, for example, where repeated efforts to contact absentee owners have failed, where project- affected persons have rejected compensation that has been offered to them in accordance with the approved plan, or where competing claims to the ownership of lands or assets are subject to lengthy legal proceedings, Borrower may be allowed to take possession of the property but only with prior consent of the WB and after showing adequate funds has been placed in the escrow account.	Taking of land and related assets after payment of compensation or the case has been referred two the appeal authority or the compensation offer has been rejected but only after depositing to a deposit account with the Ministry of finance funds equal to the assessed value in case the owner disagrees with the offered compensation amount.

Gender aspects	Men and women are equal under the law of the Republic of Montenegro, including the right to hold titles.	<p>Women's perspectives must be obtained through consultation and their interests factored into all aspects.</p> <p>Documentation of ownership or occupancy and compensation should be issued in the names of both spouses wherever possible, and other resettlement assistance, such as skills training, access to credit, and job opportunities, should be equally available to women and adapted to their needs.</p>	<p>Particularly in some rural areas, women's participation in consultations may be limited. Women only consultation may be held as relevant.</p> <p>Documentation of ownership or occupancy and compensation should be issued in the names of both spouses, and other resettlement assistance, such as skills training, access to credit, and job opportunities, should be equally available to women and adapted to their needs.</p>
Grievance Mechanism (GM)	Project specific grievance mechanism is not required.	The Borrower must ensure that a grievance mechanism for the project is in place, in accordance with ESS10, as early as possible in project development, to address concerns related to compensation, relocation, or livelihood restoration measures	The PMT shall establish a Project Grievance Mechanism (GM) prior to disclosure and public consultations on this RAP and will maintain this throughout the Project. , so that PAPs and stakeholders can raise concerns or feedback on potential impacts on assets, livelihoods, or any other project-related issues at the earliest stage. The GM will be scaled to the risks and impacts of the project, free of charge, and accessible to all, including vulnerable groups. It will operate in parallel with judicial and traditional dispute resolution mechanisms The.

<p>Monitoring & Evaluation</p>	<p>No specific monitoring procedures are required other than procedural administrative institutional oversight</p>	<p>The Borrower will establish procedures to monitor and evaluate the implementation of the plan and will take corrective action as necessary during implementation to achieve the objectives of the ESS. The extent of monitoring activities will be proportionate to the project's risks and impacts. For all projects with significant involuntary resettlement impacts, the Borrower will retain competent resettlement professionals to monitor the implementation of resettlement plans, design corrective actions as necessary, provide advice on compliance with the ESS and produce periodic monitoring reports.</p>	<p>The PMT will be responsible for monitoring in line with the requirements set out in the ESS, this RPF and any subsequent RAPs. All monitoring and evaluation measures must be demonstrated and documented to the satisfaction of the WB, and will be recorded in the internal periodical (monthly or quarterly) project progress report. Affected persons will be consulted during the monitoring process as described in chapter 7.</p>
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3 Resettlement strategies applicable to the Project

3.1 Key principles

MAFWM has adopted the following principles to guide any land acquisition and involuntary resettlement under the Project:

- **Efforts in exploring Alternatives** to avoid or at least minimize physical and economic displacement will be made;
- **Detailed RAP(s) will be developed** with the requirements of this RPF. The development of the RAPs will include a **socio-economic survey and census** which will identify both formal and informal land/property users as well as vulnerable persons/households.
- **Vulnerable people** affected by land acquisition will be assisted based on their specific needs which will be identified;
- Efforts will be invested to **identify owners and users** of affected land, while in exceptional cases where such measures did not yield results, temporary representatives for absentees will be appointed to guard their interest;
- Eligibility will be determined in line with chapter 3.6.
- Compensation for any affected assets will be provided at **full replacement cost**, regardless of whether they are formally registered or not;
- **In case of physical displacement, compensation will be provided prior to taking possession** of acquired assets; in cases of acquisition of only land, as a rule, compensation will be provided when expropriation decisions are legally binding and prior to land entry and any civil works, while the only exception may be if the affected owner cannot be identified, contacted or is seeking higher compensation through the appeal to the MoF. In such cases, compensation will be executed after all legal actions have been completed in accordance with the law;
- Compensation and assistance will be provided equally to men and women, in line with the Law on Gender Equality and Family Law provisions on marital property. Compensation amounts are deposited into the accounts of all registered rightful claimants. Where property is registered under only one spouse, the PMT will take additional steps—such as awareness raising during consultations, advising couples of their rights under national law, and encouraging joint registration of entitlements in RAPs—to ensure women’s rights to resettlement assistance are recognized and safeguarded. A **grievance mechanism** will be established and operated and maintained throughout the life of the project
- **Monitoring** of implementation of the RPF and subsequent RAPs will be regularly carried out including the completion resettlement report. The RAP implementation and outcomes will be monitored and evaluated by the PMT, and all measures must be demonstrated and documented to the satisfaction of the WB, and be recorded in the reporting requirements as defined in the Environmental and Social Commitment Plan.

3.2 The Cut-off date

To prevent land and asset speculation, influx, and encroachment into the project area, the RPF sets the start date of the census and asset inventory as the official Project Cut-Off Date. Persons encroaching on the Project area after the Cut-Off Date will not be entitled to compensation or any other form of resettlement assistance. Similarly, fixed assets (such as built structures, crops, fruit trees, and woodlots) established after the Cut-Off Date will not be compensated.

Disclosure of the Cut-Off Date:

A moratorium notice announcing the Cut-Off Date will be disclosed through multiple accessible channels to ensure that all adjoining property users and nearby communities are properly informed. These include:

Posting notices on municipal websites and in local newspapers;

Displaying printed notices at municipal offices, cadaster offices, and community centers;

Announcing through local radio and social media;

Installing public notice boards directly on or near the project site boundaries as soon as the footprint of the proposed project is known, so that all residents and users of adjoining properties are aware of the restrictions;

Providing information during community meetings and consultations held at or near the site.

At the beginning of the census, every surveyed individual will also be informed verbally about the Cut-Off Date and the consequences of commencing new activities after this date.

Linkage to the Law on Legalisation of Informal Structures:

The new Law on Legalisation of Informal Structures allows households occupying non-permitted structures to apply for legalization. However, for the purposes of this Project, eligibility for compensation under ESS5 will be determined based on the Cut-Off Date, irrespective of legalization status. This ensures that informal structure owners or users recorded during the census will be entitled to compensation and/or assistance in line with ESS5, even if their structures are not yet legalized under national law. Where legalization has been completed, the process may help strengthen the formal recognition of such assets, but it will not be a pre-condition for eligibility under this RPF.

Grievance Redress:

Any questions, concerns, or requests for clarification on the effects and consequences of the Cut-Off Date can be directed to the Project-specific Grievance Mechanism (GM) via the designated channels described in Chapter 7.

3.3 Census and socio-economic survey

The Census and inventory of assets will be developed to identify eligible PAPs, categories of impacts, directly caused by the implementation of the Project.

The census data needs to be supported and cross-referenced with the following information:

- A list and map of affected land plots, showing the total affected area, with registration numbers, land type (agricultural, construction, industrial) and current land use (pasture, meadow, forest, orchard, and so on)
- A list and map of main structures located on each land plot, their purpose (residential or business), area size and legal status, whether formal (registered, with construction permit) or informal (unregistered, without construction permit). It is important to note that the above list is only indicative and lists examples of possible categorisations of land, structures and affected people in a census.

The MAFWM through its PMT will carry out a socio-economic survey on people affected by the Project, including all persons from impacts related to resettlement, restrictions on land use and public amenities. The aim of socio-economic baseline assessment is providing a realistic image of the socio-economic conditions of all affected people, households and businesses. The data collected has to be usable for identifying impacts and designing appropriate mitigation measures. The primary purpose of the socio-economic survey is to gain an understanding of the living standards of affected people/households, their sources of income, their access to services and infrastructure. Surveys should be designed for a specific project by a social specialist experienced in designing and implementing such surveys, preferably for resettlement purposes. Different survey forms for different target groups where necessary – for example, for households that are to be physically relocated and for businesses, for rural and for urban areas. The surveys will include a comments section for surveyors to note down any observations on issues which are not included but may be of importance for resettlement planning. The survey forms have been tested and have helped refine the form and duration of the survey. The results of the survey will be presented in the resettlement/livelihood restoration plan and show why and how certain mitigation measures were designed. The survey also supplements the census data. The data collected through the survey also serves as a basis for monitoring impacts and evaluating achieved progress in restoring living standards/livelihoods during and after resettlement implementation. Comparing post displacement data collected through monitoring with the baseline data collected through the socio-economic survey will provide information on whether livelihoods and standards of living have improved, deteriorated or stayed the same.

The assessment will identify impacts within a Project's social context and the needs and rights of the affected people and develop appropriate actions to minimise and mitigate resettlement impacts.

To comply with the protection of personal data provided by the Law on protection of individual data of MNE (Official Gazette No. 079/08, 070/09, 044/12 and 022/17), all detailed excel files containing individual information will be kept as a separate file and at the MAFWM PMT data base, available only upon request with justified interest, and will not be published.

Efforts will be invested to **identify owners and users** of affected land, while in exceptional cases where such measures did not yield results, temporary representatives for absentees will be appointed to guard their interest; In this context, special attention must be given to national restitution-related legislation which may affect the ownership status of some land plots or delay land access. For example: **Montenegro's Law on Restitution of Property Rights and Compensation** (Official Gazette of the Republic of Montenegro Nos. 21/04, 49/07, 60/07 and in 2024) governs the restitution and compensation for property confiscated during the socialist era. This law outlines the conditions, procedures, and limitations associated with restitution claims. The law prioritizes the return of confiscated property to former owners when possible. If restitution is not feasible, compensation is provided, which may include monetary payments, bonds, or other state assets. Eligibility criteria extend to natural persons or legal entities whose property was confiscated for public, state, social, or cooperative ownership without fair compensation. A compensation fund at the Government level has been established to manage and disburse compensation. Montenegro

maintains a register of restitution claims as part of its legal framework, which records all submitted claims for restitution or compensation of property confiscated. While the law establishes the existence of the register, public access to detailed information within the register is limited. The Commission for Restitution and Compensation, which processes and manages claims, primarily uses the register. As such, it is not publicly available online or through other easily accessible means. The Commission for Restitution and Compensation, operating under the Ministry of Finance, is responsible for maintaining the register and overseeing the restitution process. This includes receiving claims, verifying documentation, and making decisions regarding restitution or compensation. In practice, the implementation of restitution has been gradual and administratively complex, with limited return of physical assets and delays in the valuation and issuance of compensation bonds. As such, any land subject to unresolved restitution claims must be handled cautiously within project planning, ensuring that project-induced land acquisition does not interfere with ongoing or pending restitution procedures. There is currently a disconnect between the Expropriation Law and restitution regulations, which will be addressed through targeted engagement with the Ministry of Finance during RAP preparation and implementation.

In addition to current land use, **historical land use** will be assessed and recorded wherever feasible. This is particularly relevant in areas where land tenure or occupation may not be formally registered but where households or communities have used land over extended periods. This includes:

- Land subject to customary or informal use;
- Agricultural or pasture land historically cultivated or accessed by seasonal users;
- Property under restitution claims;
- Land used communally or for traditional purposes without formal registration.

Understanding historical land use is critical for identifying legacy claims, assessing the full scope of livelihood dependencies, and ensuring that vulnerable or informal users are not overlooked in the compensation or resettlement process. Documentation may include oral testimony, aerial or cadastral maps, historical archives, or statements from local authorities or elders.

3.4 Vulnerable groups and individuals.

Not even a preliminary vulnerability assessment could have been conducted at this point to identify vulnerability in the specific context of the project induced resettlement and the wider environment. However, the national baseline conditions and recent similar project have allowed the following drivers of vulnerability to be identified:

- (i) limited access to information because of age, physical disabilities and place of residence (elderly households living, illiterate, persons living in remote areas, persons with lesser education achieved etc.) - possible mitigation measures: additional and individual counseling, communication sharing avenue through the local representatives i.e. Mjesne zajednice
- (ii) Informal owners/occupiers of dwellings.

The vulnerability assessment will be part of the socio-economic survey. The results will allow tailored additional assistance and support to be administered to address the specific vulnerability.

3.5 Livelihood Restoration measures

Livelihood restoration measures are implemented to ensure that affected people restore or, if possible, improve their pre-project standards of living, livelihood and employment activities. It is critical that baseline socio-economic surveys fully capture both the standard of living and all the types of livelihood (monetary and non-monetary) that a displaced person/ household/business is dependent on. However, some forms of livelihood may not be declared during the survey, such as those that are informal or illegal. Livelihood restoration must be coordinated with physical resettlement and factored into the choice of resettlement locations. Solutions for restoring and improving livelihoods must be

appropriate for the local context and circumstances. The MAFWM will explore available options and opportunities for livelihood restoration where affected people are already living (or close to it) and factor this into decision making. Consult with relevant stakeholders, particularly service providers and businesses active in these areas (employment services, local businesses, agencies providing education and/ or training, micro loans etc. Make arrangements for people affected by the project to have priority in accessing jobs created by the project, both during construction and operation were possible.

When implementation of the Project leads to loss of income sources and/or means of livelihood due to economic displacement of PAPs, MAFWM will implement livelihood restoration measures which will be further defined in the RAP. Such measures may include:

- Access to employment opportunities created by the Project (e.g. employment on construction);
- Local procurement of goods needed for Project implementation (local sub-contractors, construction materials, accommodation of Project workers and employees in local establishments, locally provided worker's canteens etc.);
- Transitional allowance to cover costs of re-establishing business activities elsewhere;
- Assistance to identify and access other income/livelihood generation activities;
- Assistance in retraining for other available employment opportunities;
- Provision of transitional support whilst re-establishing agricultural activities;

Livelihood Restoration Assistance will be defined based on the outcome of the socio-economic survey, in accordance with the specific needs of affected people. MAFWM will cooperate with institutions, organizations and other stakeholders, such as Ministry of Economy, that can provide this assistance based on the court decision, Ministry of Agriculture and Rural Development, Ministry of Labour and Social Welfare, local Municipalities and other organisations to assist PAPs in accessing appropriate services and/or achieve rights to which they are legally entitled.

The aim of the project will be to enable people to continue with the same activities as before displacement in the same or nearby locations by adequacy of compensation and additional support.

The figure below depicts Steps and factors for defining options for livelihood restoration



3.6 Eligibility criteria

Any person affected by Project-related land acquisition or restrictions on land use, 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 is eligible to receive compensation or rehabilitation benefits. The determination of eligibility will be based on the Census and inventory of all assets impacted by the Project to allow full compensation in line with the Entitlement Matrix.

Eligibility is limited to **Project-Affected Persons (PAPs) identified prior to the Cut-Off Date**. These PAPs shall be entitled to compensation and assistance according to the principles set forth in this RPF and in line with ESS5.

Eligible PAPs include the following categories:

- **PAPs with formal title ownership of land** who lose all or part of their land;
- **PAPs with formal title ownership of immovable property** (with or without building permits) located on land to be expropriated;
- **PAPs with formal title over businesses** that are affected by the loss of all or part of the land on which the businesses are located;
- **PAPs with formal title over animal husbandries and agricultural processors** that are affected by the loss of all or part of the land on which they are based;
- **PAPs with formal tenancy rights** (lease agreements) on private or public land;
- **PAPs with formal title to land required temporarily during construction** (e.g., for laydown areas, access roads, staging);
- **PAPs without formal title but whose livelihoods are directly dependent on affected land or businesses** (e.g., agricultural workers, employees of affected enterprises);
- **PAPs without formal title of ownership or use but who have established usage of public or private land** by investing in immovable objects, crops, trees, vineyards, or other assets (with valuation based on the age of crops and the time needed to reproduce them). Where eligible, such PAPs may apply for legalization of their structures under the new **Law on Legalisation of Informal Structures**; however, compensation and assistance under this RPF will apply **irrespective of legalization status**, provided they are recorded before the Cut-Off Date;
- **PAPs without any formal or recognizable legal right to the property they are occupying prior to the Cut-Off Date**. These individuals may not be eligible under national law, including the legalization law, but remain eligible under ESS5 for compensation for non-land assets and resettlement/livelihood assistance if present at the site as of the Cut-Off Date;
- **Communities with affected facilities** (e.g., communal infrastructure, public utilities, access roads) which will either be reconstructed or supported with necessary assistance to restore their function.

3.7 Entitlement matrix

The entitlements for different categories of impact and PAPs shall be as per the Entitlement Matrix as adopted in this RPF. As a general rule, in case of:

- Physical displacement PAPs will be offered choices among feasible resettlement options, including adequate replacement housing or cash compensation at replacement cost and provided with relocation assistance suited to the needs of each group of displaced persons and appropriate to their loss of assets
- In all cases of economic displacement, when sub-projects affect livelihoods or income generation, measures will be designed to allow affected persons to improve, or at least restore, their incomes or livelihoods
- Forced evictions are prohibited. Forced evictions of persons who have no recognizable legal right or claim to the land or homes they occupy (squatters) and that have no other owned property, is not allowed. The project will offer them adequate housing with security of tenure so that they can resettle legally without having to face the risk of forced eviction in the future;
- Payment of compensation prior of taking possession of the property acquired for the Project

is a general rule.

The universe of entitlements, eligibility for compensation and compensation evaluation methods for land acquisition and resettlement under this RPF are summarized in the Table 2 below. If at all, only impacts from permanent loss of construction, agricultural, forest land and/or pastures are expected. However, given the framework approach a wider matrix has been included under this RPF.

Table 2: Entitlement Matrix

Type of loss	Person with rights	Compensation policy
Economic displacement		
Land		
Permanent loss of construction, agricultural, forest land and/or pastures regardless to severity of loss (whether partial or complete loss)	Owner with formal title (including owner with legally recognizable claim)	<p>Cash compensation at full replacement cost, or</p> <p>Replacement land of a similar quality, size and location</p> <p>Provision of information about the acquisition of the land at least six months in advance of land entry, to allow the person renting the land to find an alternative option and vacate project affected land</p> <p>Livelihood restoration assistance in cases of land-based livelihood</p>
	Formal user (tenant) of land who cultivate agricultural land pursuant to agreement	<p>Notice of acquisition at least three months in advance of land entry to enable the tenant to find other land for lease</p> <p>Livelihood restoration assistance in cases of land-based livelihood</p>
	Informal user of land (users of agricultural land and livelihood is land based)	<p>Assistance to identify replacement land/resources for use, prior to land entry</p> <p>Provision of information about the acquisition of the land at least six months in advance of land entry to allow the person using the land informally to find an alternative option and vacate project-affected land.</p> <p>Livelihood restoration assistance in cases of land-based livelihood</p>
Any type of land becoming economically unviable	Property owners, or users of publicly/state owned construction land	In case the remaining area of land is not viable (viability of land will be assessed on a case-to-case basis by an independent expert and will take into account economic indicators, and safety and accessibility for human use or occupancy), it can be expropriated upon PAPs request and compensated according to type of property. Any identified economically unviable –orphan land, will also be acquired, if requested by the owner and determined as unviable, by certified appraisers
PLANTS AND STRUCTURES ON AGRICULTURAL LAND (other than houses)		

Loss of annual crops, that could not have been harvested prior to land take	Owners of crops formal or informal	Harvesting crops, or Cash compensation at replacement cost. Loss of annual crop will be avoided by adjusting construction schedule
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Loss of perennial plants and trees (fruit bearing trees, vineyards and fruit bearing plants)	Owners of plants regardless of their formal rights and types of their tenure rights over the land	The right to collect fruits or lumber, and Cash compensation at replacement cost on the basis of sort, year and productive value, including the value of time needed to produce such crop and net income loss, as well as costs of investment (work and labor force), to plant a new vineyard, orchard or similar, till the moment it reaches the full fructuous potential.
Affected vineyards and orchards not yet fruit bearing		Harvesting crops/yield Cash compensation sufficient to re-establish or buy a similar vineyard or orchard, including the value of time needed to reproduce a replacement vineyard or orchard and net income loss.
Wood mass (mature or nearly mature)		harvesting of woods, or The replacement cost determined based on the value of the “wood on the stump” at market value
Forests without mature wood mass		Harvesting of woods, or Cash compensation sufficient to re-establish a similar forest, including the value of time needed to reproduce a replacement forest and net income loss.
Nursery not yet yielding		Cash compensation sufficient to re-establish planting material (nursery and other reproductive material).
Buildings used for keeping and raising livestock (sheds, stables, etc.)	Owners of structures used for keeping livestock	Cash compensation at replacement costs, or ; At property owner demand, if legal terms are met, appropriate replacement property and costs of resettlement and administrative fees needed for transfer of ownership rights, if any; and Transition support while identifying a viable alternative location, if owner does not own alternative location, and Lost net income during the period of transition (measured based on census survey) In addition, Transitional allowance if needed.

Impact on agricultural employees, or processors	Workers, employees	<p>In case of disturbance of income source transition support, and</p> <p>Priority in employment on the Project, if possible and on a case-by-case basis (In accordance with social assessment processed in RAPs)</p>
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BUSINESS (but not agriculture)		
Business structures (shops, offices buildings) etc.	Owners with formal title (including owner with legally recognizable claim)	<p>Cash compensation at replacement costs, including taxes, and</p> <p>Costs of equipment and inventory relocation and re-installation, and</p> <p>Lost net income during the period of transition (measured based on census survey and official financial statements)</p>
	Formal user (tenant)	<p>Compensation for all improvements on premises (such as reconstruction, refurbishment etc.). Compensation will be paid at replacement cost, and</p> <p>Costs of equipment and inventory relocation and re-installation, and</p> <p>Replacement premises for lease, if premises were leased from state, and</p> <p>Lost net income during the period of transition (measured based on census survey)</p>
	PAPs, owners without formal title (building constructed without building permit on land they own, or land owned by third persons- commonly state owned)	<p>Cash compensation for the building at replacement cost of the structure, including taxes, and</p> <p>Transitional allowance up to three months at the value of operation costs including Costs of equipment and inventory relocation and re-installation, and</p> <p>Compensation for the cost of identifying a viable alternative location.</p>
Loss of non-agriculture based business	Owner of business (regardless if formally registered or not as long as the activity is not sanctioned under the law)	<p>Cost of moving, including compensation for immovable inventory and replacement cost of investment, and</p> <p>Transitional allowance for loss of net income during the period of transition (net income measured based on census survey and based on official income data against which taxes are paid), and</p> <p>Livelihood restoration support as tailored in the RAP</p>
Loss of non-agricultural businesses	Workers, employees	<p>If employment is terminated or disrupted due to land acquisition allowance will be paid commensurate to income loss. To be determined on a case-to-case basis, and</p> <p>Training for alternative jobs if possible, and</p> <p>Priority in employment on the Project, if possible and on a case-by-case basis (In accordance with social assessment processed in RAPs).</p>

Loss of buildings (houses, flats) leased and providing source of livelihood	Owner of property	Cash compensation for lost assets at full replacement cost, and Relocation cost (moving allowance) and cash compensation on a one-off basis (transitional allowance, if the rent was the main source of livelihood).
PHYSICAL DISPLACEMENT		
Buildings (residential, houses, apartments etc.)	Owner with formal title (including owner with legally recognizable claim)	Cash compensation at replacement costs, or ; Replacement property of equal or higher value, in direct proximity or in the surroundings of the expropriated property together with all costs of resettlement and administrative fees needed for transfer of ownership rights, if any, and Payment for relocation costs (moving allowance) and compensation for other costs during relocation i.e., transitional support (transitional allowance) The type, nature and amount of this assistance shall be determined in the RAPs Notice that the structure is subject to expropriation at least 6 months in advance of expropriation start to allow the person to find an alternative option and vacate the premises
	Informal owner – building constructed without building permit on one’s own plot of land if subject to legalization	
	Informal owner – building constructed without building permit on one’s own plot of land or constructed without building permit on someone else’s or state-owned – not eligible for legalization	Cash compensation for the building at replacement cost of the structure, and Provide arrangements to allow them to obtain adequate housing with security of tenure (if they don’t own other structures), and Payment for relocation costs (moving allowance) and compensation for other costs during relocation i.e., transitional support, and Transitional allowance. The type, nature and amount of this assistance shall be determined in the resettlement instrument i.e., RAP. Notice that the structure is subject to expropriation at least 6 months in advance of expropriation start to allow the person to find an alternative option and vacate the premises
	Lessee of the affected property	Payment of moving allowance and compensation for other costs caused by relocation and cash compensation i.e., transitional support Notice that the structure is subject to expropriation at least 6 months in advance of expropriation start to allow the person to find an alternative option and vacate the premises
	Lessee or person with occupancy right to state owned flat	Provide lease or occupancy rights of same kind of another equivalent, social or state-owned property in the vicinity, and Payment for relocation costs (moving allowance) and compensation for other costs during relocation i.e., transitional support, and Transitional assistance suited to the needs of each group of displaced persons. Notice that the structure is subject to expropriation at least 6 months in advance of expropriation start to allow the

		person to find an alternative option and vacate the premises
OTHER RESETTLEMENT SITUATIONS		
Impacts caused by temporary occupancy of land and any damages to the property	Property owner (including owner with legally recognizable claim)	Market price of lease for duration of the occupancy. The land must be returned to original condition. Improved quality of the land due to top soiling work should not be removed, except if agreed differently with PAP, and

within and outside the RoW		Replacement cost in accordance with this matrix for affected crops, orchards, nurseries etc, and Compensation for any damages to the property evaluated at replacement costs.
Established permanent easement rights on the property (i.e., right of way over land or property)	Property owner (including owner with legally recognizable claim)	Compensation for decrease of market value of land or building due to easement rights implementation, and Compensation at replacement cost for affected crops, orchards, nurseries etc. in accordance with relevant sections of this matrix, and Compensation for any permanent loss of income due to easement evaluated at replacement costs as assessed by accredited experts by assessing net gains potential of land after easement
Impact on vulnerable groups	Vulnerable PAPs	On top of all rights defined in this matrix, vulnerable PAPs will be provided additional assistance including legal assistance and help. Any additional support required for any affected vulnerable households will be determined on case-to-case basis during socio-economic survey. Main drivers of vulnerability will be taken into account and in consultation with PAPs. PAPs shall develop a detailed methodology based on the socio-economic surveys. These PAPs are given priority of employment on the project if possible.
Undetermined impact	Any of the person above	Any undetermined impact will be mitigated in accordance with principles and aims of this RPF

3.8 Entitlements – Associated Considerations

Additionally, some entitlement features are explained in more details below:

The legal status of structures: The status of structures (residential and business) can vary from formally constructed structures, with all appropriate permits and registered in the Cadaster, to those that have been constructed informally, without the required permits (i.e. the construction permit) and not registered in the Cadaster. The informally constructed structures (or part of structures) can be differentiated to those that are eligible for legalization (usually constructed without permits but in accordance with urban plans and on own land) and those that are not eligible for legalization according to MNE laws (either structures are not in conformity with urban plans or there is a land ownership issue - usually constructed on public or state owned land). In all these situations, ownership on the structures are not in question, but the status in the expropriation process could be. The MNE Law on expropriation refers to Cadaster for information on structures and ownership of structures.

In the resettlement process according to this RPF, this will be rectified by detailed Census & inventory of assets. All types of structures are eligible for compensation, as defined in the Entitlements.

Sources of livelihoods: Incomes and sources of livelihoods of affected persons/households can also be formal and informal. Persons whose incomes/sources of livelihoods are affected, regardless of their status, will be eligible for compensation and/or assistance, as defined in the Entitlements Matrix.

Resettlement Assistance

Resettlement assistance will be tailored to the specific needs of affected persons, based on the findings of the socio-economic survey. Such assistance is commonly, though not exclusively, provided to vulnerable households and individuals who are physically or economically displaced by the Project. The package of support may include, but is not limited to, the following measures:

- Assistance to resettle to appropriate accommodation with security of tenure. For example, a vulnerable household that has no other place of residence than the affected informal residential structure may be assisted to resettle to a municipal social apartment, with a long-term contract to ensure security of tenure;
- Support in securing alternative agricultural land or housing/premises, in cases where cash compensation is selected by the affected person;
- Provision of transitional allowances to cover temporary income losses and adjustment costs during the resettlement period;
- Moving allowance, covering the cost of transporting furniture, equipment, and personal belongings for households or businesses;
- Transition or rental allowance, provided in cases where the Project cannot give six months' advance notice for securing alternative housing or business premises;
- Practical relocation assistance, such as helping families physically move to another home or supporting small businesses to re-establish at new premises.

MAFWM will cooperate with institutions, organizations and other stakeholders that can help provide needed services, local Municipalities and other organizations to assist PAPs in accessing appropriate services and/or achieve rights to which they are legally entitled.

Livelihood Restoration Assistance: When implementation of the Project leads to loss of income sources and/or means of livelihood due to economic displacement of PAPs together with compensation for affected assets, MAFWM will implement livelihood restoration measures that will be further defined in the RAP. Such measures may include:

- Access to employment opportunities created by the Project (if possible)
- Transitional allowance to cover costs of re-establishing business activities elsewhere;
- Assistance to identify and access other income/livelihood generation activities;
- Assistance in retraining for other available employment opportunities;

- Provision of transitional support whilst re-establishing agricultural activities;
- Moving costs and/or assistance for transport of equipment, machinery, etc.

Livelihood Restoration Assistance will be defined based on the outcome of the socio-economic survey, in accordance with the specific needs of affected people. MAFWM will cooperate with institutions, organizations and other stakeholders, to assist PAPs in accessing appropriate services and/or achieve rights to which they are legally entitled.

Impacts caused by temporary occupancy of land: All land temporarily occupied for the Project will have to be fully rehabilitated and reinstated once the agreement period for land use has ended and the land is returned to their owners. Land will be cleared of any waste and all equipment will be removed. Improved quality of the land due to top soiling work should not be removed, except if agreed differently with the PAP. Preventive measures may also include top soil conservation to preserve the quality of the affected land, which will be implemented by awarded contractors and monitored by the MAFWM. The goal of these measures is to enable owners or users of the land to maintain the quality of land at least at the level before the implementation of the Project.

Reaching World Bank standards in resettlement also requires an understanding of the differential ways that the Project will impact on women. Individual needs of gender sensitive measures will be determined during public consultations and the socio-economic survey. However, experience has proven that during public consultations most households will be represented by men. Therefore, MAFWM will organize additional focus groups, talks and public consultations with women PAPs, and liaison with appropriate stakeholders to define and execute measures.

To reach a goal of identifying, designing and assessing the Project so it can promote gender specific mitigation and equal development opportunities for women and men, measures may include:

- additional support for female-headed households in negotiations, legal process, livelihood restoration and replacing assets;
- Involvement of women in household decision-making (about type of compensation, needed measures, etc.)
- additional inclusion of women's leadership and public participation

Due Process Requirements for Unavoidable Evictions

(Applied through local legal framework and international financial institution (IFI) standards)

In rare cases where evictions are unavoidable (e.g., ineligible individuals refusing to vacate), the process must be carefully managed to avoid human rights violations. The Project may face situations in which groups of ineligible people (for example, people having encroached on the project's footprint after the cut-off date) or people having already received their compensation refuse to leave even though all commitments under local legislation and WB standards have been met. In such a case the Project will need to clear the land for works while avoiding an eviction that might constitute a forced eviction. The Project will deploy the following mechanisms to avoid forced evictions but still clear the land for the works but following the below standards:

- Fair assessment of all claims, including from those deemed ineligible;
- An accessible and functioning Grievance Redress Mechanism (GRM);
- Engagement with community leaders or independent intermediaries to find non-coercive solutions;
- Resort to court proceedings and law enforcement only as a last resort;
- Mandatory assessment and mitigation of any human rights risks associated with enforcement actions;
- Advance notification to the World Bank before any eviction, including:
 - A memo explaining the justification and urgency;
 - A detailed action plan outlining procedures and safeguards;

- Documentation of consultations with relevant stakeholders and evidence of legal compliance.

Assistance for Vulnerable Groups: Specific measures to assist any vulnerable groups identified through the Census and socio-economic surveys will be defined in accordance with their needs. For example, certain groups may need legal or other assistance to restore their livelihoods, such as assistance to improve their businesses, some vulnerable households may need additional services from social workers, and national minorities may require additional considerations during resettlement process according to their national uniqueness, religion and customs. Some vulnerable PAPs may need assistance to access social welfare payments which they are entitled to. MAFWM will liaise with the Municipality over assistance and support to vulnerable PAPs.

4 Resettlement instruments

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

The PMT will receive preliminary information from local 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 resettlement screening checklist provided in Annex 2 of this RPF, the Social Development Specialist within the PMT 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 PMT. The screening reports will be endorsed by the Head of the PMT 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 only rely 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 RAP applicable will be prepared based on the principles and guidance provided by the RPF.

4.2 Resettlement action plan (RAP)

The scope and level of detail of the RAP vary with the magnitude and complexity of resettlement caused by the sub-project. The plan is based on up-to-date and reliable information about (a) the proposed sub-project and its potential impacts on the displaced persons and other adversely affected groups, (b) appropriate and feasible mitigation measures, and (c) the legal and institutional arrangements required for effective implementation of resettlement measures.

Any site-specific RAP shall include at the minimum following elements as specified in the ESS5:

- Description of the project: General description of the project and identification of the project area;
- Potential impacts identification: activities that give rise to displacement, scope and scale of land acquisition and impacts on structures and other fixed assets, or imposed restriction of use, alternatives considered to avoid or minimize displacement, mechanisms to minimize displacement during project implementation etc
- Objectives: The main objectives of the resettlement program;
- Census survey and baseline socioeconomic studies;
- Legal framework: 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, applicable legal and administrative procedures, including a description of the remedies available to displaced persons in the judicial process, laws and regulations relating to the agencies responsible for implementing resettlement activities, gaps, if any, between local laws and practices and ESS5, and the mechanisms to bridge such gaps etc.;

- Institutional framework: identification of agencies responsible for resettlement activities, assessment of the institutional capacity of such agencies, steps that are proposed to enhance the institutional capacity of agencies etc.;
- Eligibility: Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cutoff dates;
- Valuation of and compensation for losses: methodology to be used in valuation of losses to determine their replacement cost; and a description of the proposed types and levels of compensation under local law and supplementary measures as are necessary to achieve replacement cost value,
- In the case of projects affecting livelihoods or income generation, the Borrower's plan will include measures to allow affected persons to improve, or at least restore, their incomes or livelihoods
- Community participation: Involvement of displaced persons (including host communities, where relevant), strategy for consultation with, and participation of, displaced persons in the design and implementation of the resettlement activities, summary of the views expressed and how these views were taken into account, resettlement alternatives presented and the choices made by displaced persons, institutionalized arrangements by which displaced people can communicate their concerns to project authorities, and measures to ensure that vulnerable groups are adequately represented;
- Implementation schedule: providing anticipated dates for displacement, and estimated initiation and completion dates for all resettlement plan activities;
- Costs and budget: showing categorized cost estimates for all resettlement activities;
- Grievance mechanism: sub-project specific affordable and accessible procedures for third-party settlement of disputes arising from displacement or resettlement;
- Monitoring and evaluation: Arrangements for monitoring of displacement and resettlement activities by the implementing agency, supplemented by third-party monitors, performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities, involvement of the displaced persons in the monitoring process, etc

Provisions for adapting resettlement implementation should be included in the RAP to order to respond to unforeseeable project conditions, or unanticipated obstacles to achieving satisfactory resettlement outcomes.

When project circumstances require the physical relocation of residents (or businesses), resettlement plans require additional information and planning elements. Additional requirements include:

- **Transitional assistance:** describes forms of assistance to be provided for relocation of household members and their possessions and in transitional period;
- Environmental protection and management of the planned relocation sites;
- **Consultation on relocation arrangements:** describes process of consultation with physically displaced persons on their preferences regarding relocation alternatives, choices related to forms of compensation and transitional assistance etc.

The predicted scope of land acquisition activities is minor, but in case land acquisition or restrictions on use of, or access to, land or natural resources should 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 RAP, or into a separate livelihoods' improvement plan.

These include:

- **Direct land replacement:** for agricultural livelihood based PAPs, the RAP will provide for an option to receive replacement land of equivalent productive value or demonstrates that sufficient land of equivalent value is unavailable, etc.;
- **Loss of access to land or resources:** describes means to obtain substitutes or alternative resources, or otherwise provides support for alternative livelihoods;
- **Support for alternative livelihoods:** 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:** 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 etc.;
- **Transitional support:** describes transitional support to those whose livelihoods will be disrupted.

4.3 Process of development and approval of RAPs

Activities on the preparation of site-specific, sub-project RAPs will be disclosed in the way to enable meaningful participation of PAPs. That assumes the phase of preliminary preparations will include disclosure of preparations for population census, disclosure of census results while respecting privacy of personal information, disclosure of socio-economic baseline assessment, as well as disclosure of RAP drafts. The purpose of public disclosure and discussions is to ensure meaningful participation of PAPs in the process of preparation, implementation and monitoring of resettlement instruments.

Census survey and baseline socioeconomic studies make the core element of the RAP. The purpose of a household-level census is to identify and enumerate PAPs and develop an inventory of affected assets. The census survey also serves other essential functions:

- identifying characteristics of displaced households, including a description of production systems, labor, and household organization;
- provide baseline information on PAPs 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;
- provide information on vulnerable groups or persons for whom special provisions may have to be made;
- identify public or community infrastructure, property or services that may be affected;
- provide a basis for the design of and budgeting for the resettlement program; and
- establish baseline conditions for monitoring and evaluation purposes

As the WB may deem relevant, additional studies on the following subjects may be required to supplement or inform the census survey:

- land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, etc.;
- 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; and
- social and cultural characteristics of displaced communities, including a description of formal and informal institutions (e.g., community organizations, ritual groups, nongovernmental organizations (NGOs) that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.

In addition, specific attention must be given during RAP development to land parcels that may be subject to unresolved restitution claims under the national restitution framework, as well as to properties or structures affected by the new Law on Legalization of Informal Structures. Any such cases will be carefully reviewed to determine eligibility and entitlements in accordance with ESS5, ensuring that affected persons are not disadvantaged due to pending restitution processes or legalization procedures. In practice, the implementation of restitution in Montenegro has been gradual and administratively complex, with limited return of physical assets and frequent delays in the valuation and issuance of compensation bonds. To avoid legal and operational complications, any land under ongoing or pending restitution procedures must be carefully assessed and excluded from project-induced land acquisition until the status is clarified. This is essential to prevent overlaps or conflicts between expropriation efforts and ongoing restitution claims. Recognizing the current disconnect between the Expropriation Law and restitution regulations, the PMT, under the guidance of the MAFWM, will engage closely with the Ministry of Finance and the Commission for Restitution and Compensation as part of the RAP development and implementation process. This targeted engagement aims to harmonize procedures, verify land ownership and claims, and ensure legal clarity before proceeding with compensation or physical displacement on such parcels.

The first draft of RAP shall be submitted to the World Bank for review and clearance to be then disclosed (in English and in Montenegrin language) by the PMT in areas accessible to affected people, local newspapers in the community(s) affected by the relevant sub-project and on internet portal of the PMT, followed by public consultation with local communities and stakeholders on site or closest to the project site. The PMT shall also issue a summarized information on the RAP, as a guide to land acquisition and compensation, to be distributed either during public consultation or during the first following engagement meeting with PAPs once the expropriation commences. This is to ensure that affected people understand the compensation procedures and know what to expect at the various stages of the sub-project (for example, when an offer will be made to them, how long they will have to respond, grievance procedures, legal procedures to be followed if negotiations fail etc.). Outcomes of the consultation shall be documented and reported with the final document of the RAP and sent to WB for "No Objection". The final RAP will again be disclosed in areas accessible to affected people, published in local newspapers in the community(s) affected by the relevant sub-project and on internet portal of the PMT, and made available throughout the sub-project life cycle, RAP implementation and process of resettlement.

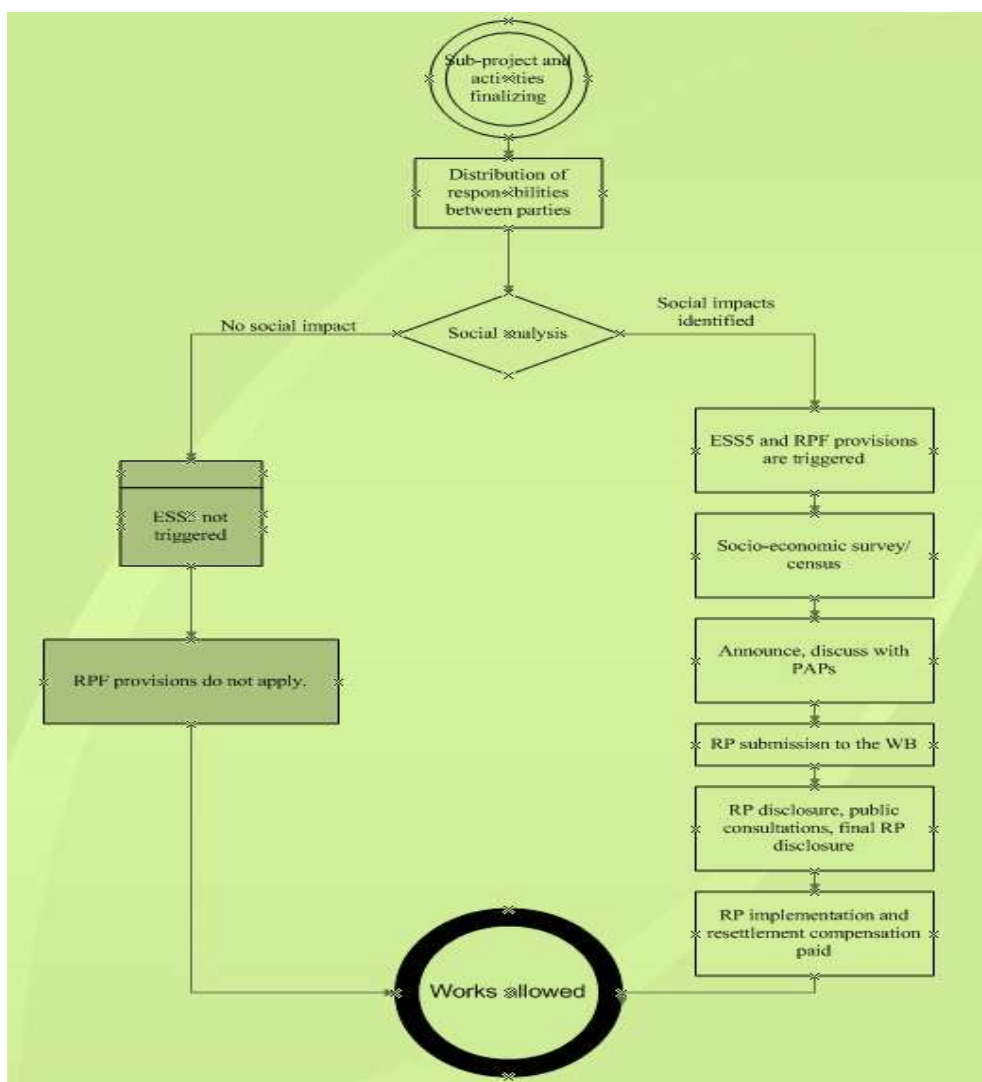


Figure 5 - RAP approval flow chart

4.4 Interaction of RAP Preparation with Design Steps

The preparation of the RAP is closely linked with the sub-project design process to ensure that land acquisition and resettlement requirements are properly integrated into technical planning and implementation. The interaction is expected to follow these steps:

1. Preliminary Design Stage and decision on siting:
 - Initial screening of sub-project impacts is carried out in parallel with the preliminary design.
 - At this stage, the likely need for land acquisition and potential displacement is identified.
 - Early stakeholder engagement begins, and socio-economic surveys are launched to inform RAP preparation.
2. Draft RAP Preparation (Based on Preliminary Design):
 - The draft RAP is prepared using the preliminary design to define the likely affected eligible PAPs, land parcels and assets, and sets up a cut-off date
 - This draft is submitted to the World Bank for review and clearance.
 - Disclosure (in Montenegrin and English) follows, along with public consultation in the affected communities.
3. Detailed/Final Design Stage:
 - The final design incorporates feedback from RAP consultations, and land acquisition boundaries are confirmed.
 - Any adjustments in alignment or footprint are reflected in the final RAP, which is updated if needed before Bank clearance.
4. Final RAP Disclosure and Implementation:

- The final RAP is disclosed and distributed locally, together with a summarized information sheet for affected persons.
- Compensation, assistance, and livelihood restoration measures are implemented before civil works commence, ensuring that no land take occurs nor construction starts until RAP commitments are fully implemented.

4.5 RAP implementation

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

4.6 Change Management Procedures

To ensure that any technical changes in the project design which may have implications for land acquisition are addressed in accordance with the principles of this RPF, a structured process has been established for managing, assessing, and documenting all changes related to land acquisition, displacement, and resettlement. The process ensure that any modifications in project design, footprint, or implementation strategy that may trigger additional physical or economic displacement are subject to timely reassessment, stakeholder engagement, and mitigation planning.

Identification of Change

- Changes may arise due to updated engineering designs, legal adjustments, stakeholder feedback, unforeseen land-related constraints, or construction-phase developments.
- The Project Management Team (PMT), in collaboration with design consultants and contractors, will proactively monitor potential changes affecting land use and displacement.

Impact Screening and Assessment

- All proposed changes will be screened against the original RPF and/or site-specific Resettlement Action Plans (RAPs) to determine if they result in additional displacement, affect new landowners or users, or alter previously agreed entitlements.
- Where changes lead to new or increased impacts, a supplementary social impact assessment will be undertaken.

Development of Supplementary RAPs or Addenda

- If additional displacement is identified, the PMT will prepare a RAP addendum or supplementary RAP, consistent with the principles and entitlements outlined in this RPF.
- The addendum will include updated asset inventories, eligibility criteria, entitlement matrix, livelihood restoration measures, and grievance redress arrangements as necessary.

Approval and Disclosure

- Changes and associated RAP addenda will be submitted to WB for review and no-objection prior to implementation.
- Affected persons and communities will be informed of the changes through meaningful consultation, and relevant documents will be disclosed in line with the SEP and compliant to ESS10.

Implementation and Monitoring

- The implementation of any changes will be integrated into the overall resettlement monitoring framework.
- The internal monitoring system will track the delivery of compensation and assistance related to the change, and external monitoring (if required by the project) will validate compliance and effectiveness.

Documentation and Record-Keeping

- All change-related processes, including impact assessments, stakeholder consultations, approvals, and implementation records, will be documented and maintained by the PMT.

- A change log will be updated regularly to track all amendments to the resettlement scope and corresponding actions.

4.7 Resettlement Audit

ESS5 applies to permanent or temporary physical and economic displacement undertaken prior to, or in parallel with, the implementation of the Project, in anticipation of, or in preparation for, the Project, as well as to situations where land or asset ownership remains pending in court or unsettled for any reason due to past government actions that could interfere with taking possession of land (legacy cases). If such cases are identified through the Social analysis of sub-projects, an audit will be undertaken by the PMT (with possible support from external experts): (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 RPF; (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 resettlement. 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 an audit report, and the implementation of gap filling measures, is the pre-requisite for the start of subprojects in such cases.

5 Consultation and disclosure

5.1 Public consultations

The PMT will 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 stakeholders, in order to achieve:

- A common understanding of the nature and duration of potential impacts;
- Informed participation in decisions that directly affect them;
- Dialogue on proposed mitigation measures;
- Opportunities to share in development benefits and livelihood support; and
- Clarification of implementation issues.

Individual meetings may be held with PAPs regarding specific cases, including upon request by PAPs. All documents prepared under this RPF (the RPF itself, any subsequent sub-project RAPs, and Resettlement Audits) will be **disclosed in Montenegrin and English** and made available for public feedback not later than 15 days prior to public consultations. Translations into **Albanian** will also be provided in municipalities with significant Albanian-speaking populations (e.g., Ulcinj). For Roma communities in Nikšić, oral interpretation and simplified visual materials will be prepared to ensure inclusiveness.

To ensure wide accessibility, disclosure will use multiple channels as outlined in the SEP:

- **Websites:** PMT, MAFWM, municipal websites, and the World Bank external site.
- **Local Access Points:** Municipal offices, community centers, agriculture/fisheries advisory points, and PMT information desks.
- **Media Announcements:** National and local newspapers, community radio, and TV stations.
- **Social Media:** PMT and MAFWM Facebook pages, online portals, and targeted SMS alerts in project areas.
- **Low-literacy and disability-friendly formats:** Simplified brochures, posters with visuals, oral/audio presentations, and large-print/accessible PDFs upon request.

Announcements of consultations will be made through newspapers, social media, notice boards, and the PMT's website. All announcements will clearly indicate: the venue, date, time, topics to be discussed, and where draft documents can be accessed.

Project information and grievance mechanism (GM) details will always be disclosed alongside resettlement instruments, ensuring stakeholders are aware of their rights and redress options.

5.2 Public consultation on this RPF

Once the draft RPF has been cleared by the World Bank, a public consultation will be held (potentially in parallel with other cleared safeguard instruments). The RPF will be disclosed on the PMT's website and distributed in hard copy to municipal offices and relevant local institutions, not less than 15 days prior to the meeting.

MAFWM and the PMT will invest additional effort to advertise and publicize the document by:

- Sending the draft RPF directly to institutional stakeholders responsible for land acquisition and resettlement;
- Delivering copies to local municipalities benefiting from the CRFASD Project;
- Publishing announcements in national and local newspapers in potentially affected communities;
- Using media outlets (websites, social media, TV and radio stations) simultaneously with disclosure of the document.

Invitations will be extended to a wide range of stakeholders, including:

- Government ministries and agencies;
- Local governments and municipal councils;
- PAP representatives, fisher associations, cooperatives, and small businesses;
- NGOs and CSOs;
- National and local media;
- General public.

The outcome of consultations—including participant lists, key discussion points, concerns raised, and responses—will be summarized in a **Consultation Report** and incorporated into the final RPF. A

Consultation Feedback Matrix will also be appended to show how comments were considered or why certain suggestions were not adopted.

5.3 Stakeholder Engagement Log (SEL)

To ensure transparency, the PMT will maintain a **Stakeholder Engagement Log (SEL)** recording all engagement activities, including:

- Public meetings, group discussions, and focus groups;
- Individual or household-level meetings;
- Virtual or phone communications;
- Spontaneous or informal interactions.

Each log entry will contain:

- Stakeholder details;
- Date, time, and place of meeting (or method of communication);
- Summary of issues discussed and information provided;
- Feedback received;
- Explanation of how feedback was addressed.

The SEL will be supplemented with supporting evidence (photos, sign-in sheets, media clippings, consultation minutes, or distributed materials).

This log will serve as a monitoring and accountability tool for:

- SEP implementation;
- Sub-project RAP preparation and execution;
- Monitoring of resettlement processes;
- Evaluation of PAPs' empowerment in negotiating compensation packages.

The SEL will be managed by the PMT's Environmental & Social Specialist and will be reviewed periodically with the World Bank supervision team.

6 Grievance mechanism⁴

The Ministry of Agriculture, Forestry and Water Management (MAFWM) will adopt a project-level Grievance Mechanism (GM) and ensure that all stakeholders are informed of its availability, purpose, access points, and procedures. The GM will serve as a structured platform for receiving, addressing, and resolving concerns, questions, and grievances from project-affected people (PAPs), including those related to land acquisition, livelihood impacts, restitution-linked claims, or resettlement.

External communications from stakeholders are categorized as follows:

- **Comments/Concerns:** General feedback from an individual or group that may or may not relate to a specific project activity or incident. These can include observations, requests for clarification, or suggestions for improvement.
- **Grievances:** Formal complaints from an individual or group concerning a specific project activity or incident that adversely affects their interests. These include issues such as displacement, inadequate compensation, disruption of livelihoods, or exclusion from entitlements.

The GM will be available throughout the project lifecycle, including planning, implementation, and monitoring of site-specific Resettlement Action Plans (RAPs). It will ensure that:

- All grievances are acknowledged within a specified timeframe (e.g., 5–7 business days),
- A transparent process of investigation and resolution is followed,
- Complainants are informed of the outcome and given the opportunity to appeal the decision through the GM's higher tier,
- Records of grievances, actions taken, and outcomes are maintained and disclosed in periodic reports (anonymized for confidentiality).

Special Consideration: Restitution-related Grievances

Given the recent amendment to the **Law on Restitution of Property Rights and Compensation** (Official Gazette No. 34/2024), which **limits appeals exclusively to internal review by the Ministry of Finance and prohibits judicial appeals**, affected persons with unresolved restitution claims face restricted access to formal legal recourse. This presents heightened risks in cases where project-affected land is subject to restitution proceedings.

To mitigate these legal limitations and promote fair access to remedy, the Project's GM will:

- Provide a **neutral, accessible forum** for raising restitution-related concerns during RAP implementation,
- Coordinate closely with the **Ministry of Finance and the Commission for Restitution and Compensation** to verify the legal status of disputed land parcels,
- Ensure that any pending restitution claim is **documented, flagged, and carefully assessed** before land acquisition or displacement is initiated,

⁴ As per the most recent amendments to the **Law on Restitution of Property Rights and Compensation** (latest amendment **Official Gazette of Montenegro No. 34/2024**), the appeals process for claimants has been **limited exclusively to administrative review by the Ministry of Finance**. Specifically, Article 28 of the amended law outlines that **decisions issued by the Commission for Restitution and Compensation are final, and no further judicial review or appeal to a court of law is permitted**. This restricts claimants from accessing the judiciary to challenge administrative restitution outcomes, effectively removing the right to appeal in court. The only permissible step is an internal complaint or objection submitted to the Ministry of Finance within a defined timeframe, which is then reviewed by the same authority that oversees the Commission.

This limitation has raised concerns among legal practitioners and civil society organizations regarding the adequacy of legal remedy and the principle of due process, particularly in light of Montenegro's constitutional guarantees and its alignment with international human rights frameworks (e.g. ECHR Article 6 on the right to a fair trial). In practice, this regulatory restriction introduces **legal uncertainty** for land parcels under pending or contested restitution claims, making it critical for infrastructure projects to establish a **robust Grievance Redress Mechanism (GRM)** that provides an alternative, transparent, and accessible channel for affected persons.

- Establish a **dedicated contact point within the PMT or a legal liaison** to support affected individuals navigating overlapping expropriation and restitution procedures.

By offering an alternative channel for resolution and ensuring transparency, the GM plays a vital role in upholding the rights of PAPs, particularly in the absence of access to judicial review under current national legislation.

6.1 Registering a complaint

Any grievance can be brought to the attention of the Grievance Mechanism verbally (personally or by telephone) or in writing by filling in the Public Grievance Form (by personal delivery, post or e-mail to the address/number given below), without any costs incurred to the complainant. Grievances may also be submitted anonymously or without the use of the form if preferred.

In addition to the Public Grievance Form, a Public Grievance Leaflet ([Annex 1](#)) will be disclosed/made available at:

- the websites of MAFWM <https://www.gov.me/mpsv>
- the websites and offices of the Local Municipalities affected by the Project, and
- At the construction sites prior to commencement of physical interventions.

Comments/concerns will be conveyed to MAFWM via the same means as grievances (see section below). Once received they will enter into MAFWM external communication procedures and feedback will be provided according to the requirements of the procedure. Concerns will be identified and every month concerns will be analyzed and a report provided to the senior ministerial level. This will alert to concerns, and acting as ‘early warning’ enable swift action to be taken to address the concerns and, thus, avoid the receipt of grievances in the future.

The grievance mechanism will consist of a Central Desk (CD) with Local Admission Desks for all affected municipalities administered by the MAFWM (collectively referred to as Grievance Mechanism). A separate workers’ Grievance Mechanism separate from the public grievance mechanism will be established as per LMP guidance.

The Grievance Mechanism is developed with the following aims:

- To build and maintain trust of stakeholders;
- To prevent escalation of disputes,
- To prevent adverse consequences of failure to adequately address grievances; and
- To help identify and manage stakeholder concerns and thus support effective risk management.

The system and requirements (including staffing) for the grievance redress chain of action – from registration, sorting and processing, acknowledgement and follow-up, to verification and action, and finally feedback – are embodied in this GM. As a part of the GM outreach campaigns, MAFWM will make sure that the relevant staff are fully trained and has relevant information and expertise to provide phone consultations and receive feedback. The project will utilize any existing system operated by MAFWM or to ensure all project-related information is disseminated and complaints and responses are disaggregated and reported.

Initially, GM would be operated manually, however, development of an IT based system is proposed to manage the entire GM. Quarterly reports in the form of Summary of complaints, types, actions taken and progress made in terms of resolving of pending issues will be prepared and disclosed. Once all possible avenues of redress have been proposed and if the complainant is still not satisfied then the GM would advise of their right to legal recourse.

The grievance system shall be effective as soon as practicable, in order to manage and appropriately answer complaints during its different phases. In addition to the GM, legal remedies available under the national legislation remain (courts, inspections, administrative authorities etc.)

The MAFWM has already good cooperation with Local Governments and community representatives and will make joint efforts to informing stakeholders about the GM role and function, the contact persons, admission channels, and the procedures to submit a complaint in the affected areas. Information on the GM will be available:

- The website of the MAFWM (<https://www.gov.me/mpsv>) ²
- The website/social media managed by Municipality Ulcinj (<https://www.ul-gov.me/me>), Nikšić (<http://niksic.me/>), and Bar (<https://bar.me/>)
- Through social media campaigns.
- Local Admission desk established at municipal offices and PMT premises
- Physical display of GRM channels (e.g., posters, notice boards, signboards) at and near construction sites, municipal buildings, port areas, and community centers in directly affected areas

Any type of grievance can be submitted by mail, phone, e-mail or in person using the below access details:

Ministry of Agriculture, Forestry and Water Management
To the attention of the Grievance Mechanism for the CRFADS Project
marija.klikovac@t-com.me
grievance@MAFWM.gov.me
Address: Moskovska 101, 81000
Prodgorica, Montenegro

Details of the local access details will be disseminated as part of the grievance awareness campaign. The Grievance Procedure will be free of charge, open and accessible to all, and comments and grievances will be addressed in a non-discriminatory and transparent manner.

6.2 The Procedure

In some instances, such as when a complaint is more of a question or request for information, MAFWM may be able to resolve a complaint shortly after it is received. In this case, the complainant will be given the information necessary to address the issue, and the complaint will be documented and closed once the complainant is satisfied with the information offered.

When complaints are more complex and require some investigation, the following process will be used:

Step 1: Receive & Acknowledge Complaint

- Once the complaint is received, it will be recorded in a register.
- MAFWM will acknowledge receipt of the complaint by letter within 5 working days of receipt.
- The acknowledgement letter will specify a contact person and a description of what the complainant can expect next, including a timeline.

Step 2: Evaluate, Assign Owner, and Investigate

- MAFWM will assess the complaint to determine how it should be managed and, in most instances, will assign an owner with the substantive expertise to resolve it. The complaint owner will work to understand, investigate, resolve, and follow-up with the complainant. This may involve seeking information from different departments within MAFWM, the Municipalities impacted by the Project or from contractors and supervision consultants.
- The MAFWM will work with the complainant to understand the cause of the issue and will need to contact the complainant during the investigation.

Step 3: Consult on and Implement Resolution

- Once the complaint has been investigated, in consultation with the complainant, the MAFWM will discuss the results and proposed resolution with the complainant, including a timeline for implementation.
- The MAFWM will implement the resolution either directly or through a third party, which will be done in consultation with the complainant.

- The MAFWM will review complaints regularly to ensure progress is being made towards resolution. If no progress is being made, the MAFWM may decide to escalate the complaint to MAFWM management. In such circumstances, the complainant will be updated on progress.

Step 4: Close and Monitor

- After the complaint has been fully investigated, the resolution has been implemented and monitored, and no further action is deemed necessary to resolve the issue, the MAFWM will close the grievance.
- In case of anonymous grievance, the final decision will be disclosed on the MAFWM website.
- The MAFWM will ask the complainant to sign a statement to acknowledge resolution. Signing the statement does not preclude the complainant from raising the issue again, or seeking other avenues for redress should the resolution not result in a permanent fix or the issue recurs.
- If the complainant does not agree with the resolution offered, the MAFWM will close the complaint however the complainant may choose to appeal the decision to close the complaint (see Step 5) or seek other recourse.
- The MAFWM may re-open the complaint if the complainant provides new information.
- The MAFWM may contact the complainant after closure to ensure no other problems have arisen.

Step 5: Appeal (optional if complainant is not satisfied)

- The MAFWM will establish an additional mechanism for community members to appeal closure of a complaint when they are not satisfied with the outcome of the investigation and/or the proposed resolution.
- A second tier panel comprised of trusted external third parties, including technical specialists familiar with the issue or higher management structures of the MAFWM. Generally, these people will not have had previous detailed knowledge of the complaint or engagement with the complainant.
- In some cases, the panel may choose to include one or more reputable and independent third parties on the panel.
- The panel may decide to refuse an appeal if they feel the complaint has not been presented in good faith.
- The selection of the mediator or individuals comprising the panel will be conducted in consultation with the complainant and other key stakeholders to ensure there is trust in the process.

At any time can the aide from judicial and administrative authorities be sought without prejudice.

6.3 Monitoring and reporting on Grievances

- The Project Management Team (PMT), through its designated Social Development Specialist, will be responsible for coordinating grievance monitoring and reporting. At the local level, Local Admission Desks will be established within municipal offices in Ulcinj, Bar, and Nikšić (and other relevant municipalities as needed), with municipal focal points assigned to operate them. Contractors will also be required to maintain site-level grievance boxes and focal persons for construction-related grievances. Responsibilities include:
- **Collecting data from Local Admission Desks and site-level grievance focal points** on the number, substance, and status of complaints, and uploading them into the single project database managed by the PMT;
- Maintaining consolidated grievance logs on complaints received at regional, municipal, and site level;
- Monitoring outstanding issues and proposing measures to resolve them in a timely manner;
- Disclosing quarterly reports on the functioning of the GM;
- Summarizing and analyzing qualitative data received from local admission points on the number, substance, and status of complaints;

- Uploading all records into the single project grievance database and tracking progress of resolution;
- Monitoring outstanding issues and proposing corrective measures where needed
- Disclosing quarterly reports on GM mechanisms;
- Summarizing and analysing the qualitative data received from the local Grievance Admission points on the number, substance and status of complaints and uploading them into the single project database;
- Monitoring outstanding issues and proposing measures to resolve them.

The social monitoring reports to the WB shall be submitted through the MAFWM, which shall include a section related to GM which provides updated information on the following:

- Status of GM implementation (Local admission Desks, procedures, training, public awareness campaigns, budgeting etc.);

Qualitative data on grievances and user experience, including not only the number and type of received grievances (applications, suggestions, complaints, requests, positive feedback) and their resolution status, but also insights gathered through surveys, focus group discussions (FGDs), and stakeholder interviews on:

- Ease of accessibility to GRM channels (do people know where and how to complain?);
- Time taken to receive acknowledgment and resolution;
- Awareness of the project GRM within affected communities;
- Level of satisfaction with the grievance handling process.
- Quantitative data on number of grievances received by each input channels, the type of grievances and responses, issues provided and grievances that remain unresolved;
- Level of satisfaction by the measures (response) taken;
- Any corrective measures taken.

6.4 World Bank Grievance Redress Service

Communities and individuals who believe that they are adversely affected by a World Bank (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 WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit: <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>.

7 Monitoring and evaluation

7.1 Institutional monitoring

The PMT will keep a resettlement and expropriation database with a minimum of following information: volume of land required, land acquisition completed, inventory of persons and property affected, inventory of expropriation cases disaggregated by different phases of the process (submission of proposal, decision on expropriation, valuation, compensation offer, settlement agreement, payment of compensation, payment of assistance during relocation, judicial processes etc.). A suggested template for monitoring is presented in Annex 3

In addition to the above activities, the table below presents a list of institutional responsibilities during the land acquisition & resettlement process:

Table 2 - Institutional responsibilities

Task:	Responsibility:
Disclosure and arranging public consultations on the RPF	MAFWM (PMT)
Information disclosure to all PAPs about the procedure of the beginning of expropriation and during all phases of expropriation	PMT and Local Municipalities (LM)
Communication and consultation with PAPs	PMT and LM
Activities prior to commencement of works	PMT and LM
Providing assistance during resettlement	MAFWM as the BoE
Compensation payment	MAFWM as the BoE
Grievances management	MAFWM PMT
Monitoring and reporting on expropriation and resettlement	MAFWM PMT / E&S
Monitoring of RAP-related impacts and reporting after commencement of works such as: <ul style="list-style-type: none"> • Verification that compensation has been paid in full before displacement or loss of access; • Monitoring of physical relocation (if any) and adequacy of provided housing or sites; • Tracking economic displacement impacts, including restoration of livelihoods, re-establishment of businesses, and assistance to vendors or fishers affected by restricted access; • Monitoring the effectiveness of transitional allowances, rental support, and moving allowances; 	PMT continues to monitor RAP-related impacts. Contractors are responsible only for implementing and reporting on RAP actions specifically delegated to them (e.g., site access arrangements, assistance with moving, temporary livelihood support during works).

<ul style="list-style-type: none"> • Checking that vulnerable groups (women-headed households, Roma, elderly, disabled, poor) receive additional assistance as committed; • Monitoring of access to GRM and resolution of land acquisition–related grievances; • Post-resettlement follow-up to ensure that PAPs are not worse off, and preferably better off, compared to pre-project conditions. 	
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7.2 Monitoring of resettlement process

The Monitoring will be realised through the following three components.

- **Input monitoring (progress monitoring)** – to measure whether the activities (goods and services) have been delivered as specified in the RAP. This will be regularly carried out internally, by the PMT usually on a weekly and monthly basis.
- **Output monitoring (performance monitoring)** – to measure the results of the inputs that have been delivered, such as the number of people/households that have been resettled, received replacement land or assets, cash compensation, livelihood restoration training, and so on. This will be regularly carried out by the PMT, usually on a monthly and quarterly basis.

- **Outcome evaluation (impact evaluation)** – to measure whether the delivery of inputs and the achievement of outputs are contributing to the successful accomplishment of objectives which have been set for RAP implementation.

Input indicators	Measurement values	Frequency of measurement
Overall spending on land acquisition (including a breakdown of costs)	<ul style="list-style-type: none"> ▪ Cash compensation ▪ Costs of providing assistance, by type of assistance Consultation and engagement costs ▪ Costs of evaluators and surveyors ▪ Costs of legal fees 	Monthly
Total number of owners and total number of formal and informal users of affected land plots	Baseline data received through the census survey	Monthly
Number of formal and informal households that have to be physically displaced Number of formal and informal businesses that have to be relocated	Baseline data received through the census survey	Monthly
Output indicators	Measurement values	Frequency of measurement
Number (and percentage) of land plots/houses/businesses for which compensation agreements were signed Number (and percentage) of owners/ users who signed compensation agreements	The percentage should be calculated from the total number of affected land plots/houses/businesses, as identified by the census/survey	Monthly
Number (and percentage) of land plots /houses/businesses for which compensation agreements were refused/are still pending Number (and percentage) of owners/users who refused to sign compensation agreements/ are still deliberating	The percentage should be calculated from the total number of affected land plots/houses/businesses, as identified by the census/survey	Monthly
Number (and percentage) of land plots /houses/businesses for which compensation agreements were refused/are still pending Number (and percentage) of owners/users who refused to sign compensation agreements/ are still deliberating	he percentage should be calculated from the total number of affected land plots/houses/businesses, as identified by the census/survey	Monthly
Number (and percentage) of households that have been physically displaced (moved to another location) Number (and percentage) of businesses that have been relocated	The percentage should be calculated from the total number of affected land plots/houses/businesses, as identified by the census/survey	Monthly
Number of persons/households assisted by the implementation team by type of assistance and by category (owners/users)	<ul style="list-style-type: none"> ▪ Assistance to move or payment of moving costs ▪ Access to employment ▪ Other assistance (and type) 	Monthly

Outcome indicators	Measurement values	Frequency of Measurement
Number of newly received, open and closed grievances; any trends; and average time for grievance processing	Measure the time interval between grievance registration and closure. Grievances should be reviewed by the implementation team to flag up significant issues in implementation	Monthly
Average time for payment of compensation	Average time between acceptance of the offer/signing of the contract and the execution of compensation. This should also be regularly monitored by the implementation team to determine if there are delays which could put affected people in a difficult position.	Quarterly
How was the received cash compensation used/invested?	Survey to determine what affected people used compensation for, such as: <ul style="list-style-type: none"> • Replacement land • Replacement housing • Replacement business facilities • Other assets or investments (and types) 	Annually
Re-establishment of incomes/ livelihoods	<ul style="list-style-type: none"> • Have those who were using land as a source of livelihood/ income managed to re-establish this source and level of livelihood/income? • Assess specifically the situation of any users of land, particularly informal ones 	Annually

8 Institutional arrangements

8.1 Institutions responsible for Project implementation

The Ministry of Agriculture, Forestry and Water Management (MAFWM), through the Project Management Team (PMT), will manage the Project, technically supported by the Ministry of Finance. The PMT, which was already established for the implementation of the former MIDAS Project and the ongoing MIDAS2 Project, will continue to serve as the core unit responsible for the day-to-day management of the CRFASD Project.

The current composition of the PMT includes a Project Coordinator, Project Manager, Senior Civil Engineer (part-time), Senior Monitoring and Evaluation (M&E) Specialist, Senior Environmental and Social Framework (ESF) Specialist (part-time).

To support the expanded scope and complexity of CRFASD activities, the PMT will be reinforced with additional positions, including:

1. Full-time Social Development Specialist;
2. Full-time Civil Engineer;
3. Full-time Animal By-Product (ABP) Specialist.

Building on its demonstrated capacity and institutional memory, the PMT will be strengthened with these additional staff and technical expertise to ensure effective implementation of the CRFASD Project.

The PMT will be responsible for:

- Technical coordination and oversight of all project components;
- Management and oversight of environmental and social (E&S) safeguards, including implementation and monitoring of all ESF instruments (e.g., ESMF, RPF, SEP, LMP, ESCP);
- Operation and administration of the Project Grievance Redress Mechanism (GRM), including the intake, processing, resolution, and reporting of grievances;
- Monitoring, evaluation, and reporting on project performance, including safeguards compliance and grievance trends;
- Stakeholder engagement, citizen feedback, and public disclosure mechanisms;
- Communication and coordination with relevant national and municipal stakeholders;
- Liaison with the World Bank and development partners on project implementation progress and compliance matters.

In addition, the PMT may contract external consultants or advisory firms to provide specialized inputs in areas such as feasibility studies, infrastructure design and supervision, digital system support, training delivery, information dissemination, consultation and grievance management, and fiduciary advisory services.

Fiduciary functions, including procurement and financial management, will continue to be centralized under the Technical Services Unit (TSU) within the Ministry of Finance, as was the case under MIDAS2. The PMT will work closely with the TSU to ensure timely procurement processing, disbursement, and financial accountability in line with World Bank requirements.

10. Budget and funding of resettlement

Land acquisition costs are born by the Beneficiary of Expropriation i.e. the MAFWM and will be budgeted within the Budget for the upcoming fiscal years in which land acquisition is to commence. Costs for the implementation of this RPF include categories: (a) administrative costs including cost associated with expropriation (if necessary), and (b) compensation for land acquisition, and asset loss, including transitional and any other allowance as necessary.

Given the early stage of the Project and unknown scale, type and magnitude of impact no estimation of cost is possible at this stage. However as impacts from land acquisition are either not expected at all, or very minor the costs will not be significant to impose risks at planning or implementation of any aspect of this RPF

This RPF as referenced in the Loan Agreement complement the national legal requirements guiding involuntary land acquisition and resettlement, and shall once ratified serve as a legal basis to close gaps to meet the ESS5 standards.

Additional Administrative Steps if Municipality Bears the Cost

1. **Formal Designation of Municipality as Beneficiary of Expropriation (BoE):**
 - A Government decision or legal act must explicitly authorize the Municipality to act as the BoE.
 - This includes responsibility for financing and implementing expropriation procedures.
2. **Budgetary Allocation at the Municipal Level:**
 - The Municipality must include resettlement and land acquisition costs in its **annual budget planning** and secure line-item funding.
 - Coordination with the Ministry of Finance is required to ensure fiscal compliance and fund availability.
3. **Establishment of a Municipal Expropriation Commission / Focal Point:**
 - A designated municipal authority (often the regional cadaster or municipal property office) would need to manage documentation, valuation, and communication with PAPs.
 - This would add an additional layer of administration compared to central-level handling.
4. **Coordination Agreement with MAFWM / PMT:**
 - A Memorandum of Understanding (MoU) or Cooperation Protocol between the Municipality and MAFWM/PMT would be needed to define roles, responsibilities, reporting, and dispute resolution.
 - The PMT would remain responsible for safeguards compliance (ESS5), but financial and administrative execution would shift locally.
5. **Public Disclosure and Accountability:**
 - Municipalities would be required to disclose budget allocations and payment procedures locally.
 - Additional **municipal council approvals** may be needed to confirm legitimacy and transparency of expenditures.
6. **Audit and Oversight:**
 - Municipal resettlement expenditures would become subject to both **municipal and state audits**, and would need to be reported back to MAFWM and the World Bank as part of safeguards monitoring.

Annex 1 - Grievance registration form

GRIEVANCE FORM –	
INFORMATION ABOUT THE PERSON SUBMITTING THE GRIEVANCE	
Reference no. _____	
Full Name Note: you can remain anonymous if you prefer or request not to disclose Your identity to the third parties Without your consent	First name _____ Last name _____ <input type="checkbox"/> I wish to raise my grievance anonymously <input type="checkbox"/> I request not to disclose my identity without my consent
Contact Information: Please mark how you would like to be contacted (mail, phone, e-mail)	<input type="checkbox"/> By Post: Please provide mailing address: _____ <input type="checkbox"/> By Telephone: _____ <input type="checkbox"/> By E-mail _____ <input type="checkbox"/> I don't wish to be contacted and will follow up on the resolution on the MAFWM website
Preferred Language for communication	<input type="checkbox"/> Montenegrin <input type="checkbox"/> Other please specify _____
Description of Incident or 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 to resolve the problem?	
Signature: _____ (not required in case of anonymous complaints) Date: _____	
Please return this form to: Ministry of Agriculture, Forestry and Water Management To the attention of the CRFADS Project Unit - Address: Moskovska 101, 81000 Podgorica, Montenegro	

Annex 2 - Social screening template

SOCIAL SCREENING FORM FOR SUB PROJECTS/ACTIVITIES			
<p>This screening report comprises the screening form, ownership evidence and pictures from the walkover survey.</p> <p>Component from the PAD:</p> <p>Name of Activity:</p> <p>Type of Activity and Procurement Package as assigned in the Procurement Plan:</p> <p>Location of Activity:</p> <p>Project Implementing Agency:</p> <p>Brief description of baseline conditions, human environment, sensitive receptors:</p>			
<p>Screening indicators related to Land acquisition, assets and access to resources</p>			
		YES	NO
1	Will the activity require that land (private) be acquired (temporarily or permanently) for implementation?		
2	Has land been acquired in anticipation of the project?		
3	Will the activity require land that is currently occupied or regularly used for productive purposes (e.g. gardening, farming, pasture, fishing locations, forests)		
4	Is physical displacement of individuals, families or businesses anticipated		
5	Will the activity result in the temporary or permanent loss of crops, fruit trees or household infrastructure		
6	Result in 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	Have any negative impact to formal or informal business (specify which)		
11	Impact internally displaced persons or refugees		
12	Impose Restriction on access to land or use of other resources including communal property and natural resources such as marine and aquatic resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering grounds and grazing and cropping areas;		

If any of the boxes are ticked YES, ESS5 is relevant and the application of the provisions of the Project RPF is triggered. The PMT is required to follow the provisions of the RPF to determine which type of site-specific instrument will be prepared in line with chapter 5.4 of the RPF.

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 PMT

E&S Specialist

Annex 2 Example of Socio-Economic Survey Questionnaire

SOCIO-ECONOMIC SURVEY

This survey is a part of the effort to gather data needed to develop the Land Acquisition and Resettlement Action Plan and evaluating potential social impacts on the impacted local communities, and especially on individuals and households whose property will be expropriated.. The data collected herein will be protected under the Data protection Act of Montenegro and will be utilized used solely for the development of the RAP and will be shared with World Bank. You are strongly encouraged to participate in the survey, so the resettlement and compensation strategies are able to take into account the unique features of your household.

I - Identification of property owner and respondent (if different from the owner)

- 1.1. Owner's name _____
- 1.2. Age and gender _____
- 1.3. Phone number. Landline _____ Mobile _____
- 1.4. Cadastral municipality in which expropriated property is located _____
- 1.5. Parcel number _____
- 1.6. Cadastral municipality in which the owner has permanent residence _____
- 1.7. Name of the respondent (if different from owner) _____
- 1.8. Age and gender _____
- 1.9. Relationship with Owner _____
- 1.10. Phone number. Landline _____ Mobile _____

II – Household structure

2. Other persons living in the same household? **YES NO** (Please mark relevant).

If **YES**, please indicate:

- Number of children under 19 years of age _____
- Number of members 19 to 65 years old _____
- Number of members 65 and older _____

3. Is there a person in the household who is unable to live independently i.e. who needs constant care? **NO YES** (Please mark relevant) If **YES**, please provide more details about this person(s):

-
4. Does the household exercise the right to home care and assistance?

YES NO (Please mark relevant)

III - Type of household impacts related to land acquisition:

5. What is the total area of land the household owns:

- **agriculture land** _____ m2,
- **forest land** _____ m2;
- **other land** _____ m2

6. What is the area of the parcel / land subject to expropriation _____ m2.

Note: If structures attached to the land are subject to land acquisition their area are not to be calculated herein. The data should be provided in the sheet for residential structures or business premise if on separate parcel.

7. Is the whole plot or only part of it to be expropriated? **WHOLE PART OF THE PLOT** (Please mark relevant)

8. If only part of the plot is expropriated what is the area of this part _____ m2
9. Will you file an application for expropriation of the orphan land (under Article 8 of the Law on Expropriation which enable expropriation of unviable parcel during 2 years after completion of construction works): (Please mark relevant)
- No, the whole parcel is expropriated.
 - I am not interested in expropriation the orphan land.
 - Yes. I will ask
 - I am not aware/informed of such a possibility.
10. Is the affected land in **your sole ownership** or **co-owned by others**? (Please mark relevant).
- How many co-owners _____
11. Type of expropriated land as registered in the Cadastre (Please mark relevant):
- mostly arable land,
 - predominantly vineyard,
 - predominantly orchard,
 - something else _____
12. Do you lease the land subject to expropriation? **YES NO** (Please mark relevant)
13. Does your household employ non-domestic workers to cultivate expropriated land?
YES NO (Please mark relevant)
14. Is expropriated land an important source of income for your household?
YES NO NOT ENGAGED IN AGRICULTURE (Please mark relevant)
15. What is income per year from this parcel? _____
16. Will you continue farming after the expropriation of this agricultural land.
YES NO NOT ENGAGED IN AGRICULTURE (Please mark relevant) Why?

17. Are you planning to buy new farmland?
YES NO NOT ENGAGED IN AGRICULTURE (Please mark relevant)
If NOT engaged, please clarify why? _____

18. Does the land affected host auxiliary structures? YES NO (Please mark relevant)
- If YES, please specify type of structures and the area:
1. _____
 2. _____
 3. _____
 4. _____

IV – Livelihood Sources

19. Total monthly household income (cumulative for each type of income and for all household members)

Labor income (EUR / month)

Income from permanent employment	Income from own private business	Income from casual work	Pension income	Agricultural income (total per year)
EUR	EUR	EUR	EUR	EUR

Social Support income (EUR/ month)

Monetary support due to low income	Disability support	Children's allowance
EUR	EUR	EUR

Real estate income and other income (EUR./ month)

Real estate revenue	Other revenue
Renting a house or apartment	
	Rent of agricultural land
EUR	EUR

20. Household debt. Does the household have a monthly loan repayment obligation?

NO YES (Please mark relevant)

21. How do you plan to spend the money received from the expropriation?

- 1. For acquisition of a building plot, house or flat
- 2. For starting a business
- 3. For acquisition of additional agricultural land
- 4. For acquisition of agricultural machines
- 5. For medicines and treatment
- 6. For savings
- 7. For children and/or grandchildren education
- 8. For everyday life
- 9. For acquisition of a car
- 10. Other, please specify _____

22. Do you know whom to approach for the protection and exercise of your rights regarding expropriation procedure?

1. Yes, I know
2. No, I don't know whom I can turn to
3. I will try to inform myself

If you know, please indicate the contact details you are aware of:

Please, add any comments you have in regard to the preparatory works for the Project up to now

Thank you for your time!

Questionnaire completed _____ Date and time of interview _____

V: ADDITIONAL QUESTIONS FOR PHYSICALLY DISPLACED HOUSEHOLDS

Owner's name _____

1. The area of the plot / plot where the structure to be expropriated is located _____ m2

2. Purpose of the structure: (Please mark relevant):

- For permanent residence of the owner and / or members of his / her household
- For rest and recreation of the family members and relatives
- For agricultural work
- For rent
- Not used, not occupied

3. The gross area of the structure is _____ in square meters

4. Year of construction / reconstruction of the facility _____

5. Type of material: solid material; improvised material

6. Amenities of the structure (Please mark relevant and add as appropriate):

- kitchen
- bathroom
- connected to the water supply
- connected to the sewage system or septic tank
- has electricity
- garage
- other: _____

7. Do you plan to purchase or built a new housing facility? **YES NO** (Please mark relevant)

If YES, please tell us where this facility will be located (name of the settlement/city):
(Please mark relevant)

- Not decided yet
- In the same settlement
- In the municipal centre
- In the town outside this municipality
- Has no plan to purchase or built new housing facility

VI: ADDITIONAL QUESTIONS TO BE ASKED ONLY TO OWNERS WHO LOSE THE BUSINESS

Owner's name _____

1. Is the business premises located: (Please mark relevant)

- Within the residential structure
- It is a separate structure
- In one of the auxiliary structures (garage, etc.....)

2. Cadastre number of parcel _____ and parcel area if the business premise is located on separate parcel
_____ in m2

3. Gross area of the facility / business premise space _____ m2

4. Type of business _____

5. Number of employees in the business (the owner/s of the business and members of his/her family to be included).

- Total number _____
- Out of them are household members _____
- Number of permanently employed _____
- Number of seasonally employed _____
- Other type of employment _____
- Average monthly salary of employees (all categories above). _____

6. Is relocation of equipment, inventory and machinery required? If Yes, please list the major items.

7. Does any of the equipment, inventory or machinery require dismantling by specialized companies? If yes, please state type of equipment and specifics of the dismantling process. _____

8. Do you plan to continue same business activity on some other place: **YES NO** (Please mark relevant)

IF YES, Where do you plan:

- In the same settlement
- In other village in the same municipality
- In the municipal centre
- Outside this municipality

IF NO, Why _____

9. Is this business the important source of revenue for your household? (Please mark relevant)

- Yes, it is the only source
- Yes, it is significant source
- It is one of several similar revenues
- No, it is not significant

Annex 3 Minimum Contents of the RAP

The indicative outline of the RAP

Executive summary

1. Scope of the resettlement plan: Introduction

1.1 Scope and contents of this report

1.2 Key definitions

2. Project description and potential impact

2.1 Project objectives, location, rationale and benefits

2.2 Key project components (should be brief and can refer to the ESIA for further details)

2.3 The project footprint and its associated land impacts (with maps, description and photographs as relevant)

2.4 Avoidance and minimization of project displacement impacts (should explain the iterative process of changing and adapting the design to avoid and minimize displacement impacts, and the outcomes of such process, with tabular and cartographic illustration as relevant)

3. Legal framework (to be adapted to the context in the jurisdiction)

3.1 The Constitution (or any other fundamental law, typically establishing high-level principles related to the public interest and expropriation versus protection of the right to private property)

3.2 The expropriation law (review of principles and processes)

3.3 Land tenure regime (including customary and informal regimes as relevant)

3.4 Legislative processes (if relevant)

3.5 WB policy on involuntary resettlement

3.6 Gap review (comparison of local legislation with WORLD BANK policies and the identification of potential gaps, if any, with the proposed way forward to meet requirements)

4. Principles, objectives and processes

4.1 Key principles and objectives (should spell out in a formal manner and at high level, without details, the key commitments the project is making as regards compliance with World Bank standards)

4.1.1 Avoidance of forced evictions

4.1.2 Cut-off date and eligibility

4.1.3 Compensation at replacement value

4.1.4 Livelihood restoration wherever livelihoods are affected

4.1.5 Consideration of vulnerable people

4.1.6 Consultation-grievance mechanisms

4.1.7 Monitoring and external reviews

4.1.8 Key principles for implementation arising from agreements with government or law, particularly where government is playing a mandatory role in implementation

4.2 Process overview

4.2.1 Negotiated settlements (the process for arriving at a negotiated agreement, collective then individual negotiations, offers, refusals, acceptance, formalisation of agreement)

4.2.2 Process in case no agreement is reached • with expropriation (formalised ownership) • without expropriation (informal occupation)

5. Baseline of affected assets and affected persons

5.1 Census of affected assets and affected households

5.1.1 Methodology

5.1.2 Implementation

5.1.3 Results

5.2 Socio-economic baseline surveys

5.2.1 Methodology

5.2.2 Implementation

5.2.3 Results (including livelihoods, social fabric, culture,

5.3 Affected land

5.3.1 Estimates of surfaces potentially required

5.3.2 Categorisation of land needs (permanent, temporary)

5.3.3 Land tenure regimes

5.4 Affected structures

5.4.1 Estimates of numbers of affected structures

5.4.2 Categorisation of structures

5.4.3 Structure ownership regime

- 5.5 Affected businesses
 - 5.5.1 Estimates of numbers of affected businesses
 - 5.5.2 Categorisation of businesses
 - 5.5.3 Business ownership regime
- 5.6 Affected people
 - 5.6.1 Estimated number of affected households and persons
 - 5.6.2 Economic and physical displacement
 - 5.6.3 Summary socio-economic description and categorisation of affected persons
 - 5.6.4 Compensation preferences
- 6. Resettlement and compensation strategy
 - 6.1 Entitlements
 - 6.1.1 Eligibility for compensation
 - 6.1.2 Entitlement matrix
 - 6.2 Valuation of affected assets
 - 6.2.1 Land
 - 6.2.2 Structures
 - 6.2.3 Crops and trees
 - 6.2.4 Businesses
 - 6.3 Resettlement packages (for projects with physical displacement – category (ii) of PR5, paragraph 41)
 - 6.4 Cash compensation
 - 6.4.1 Rates for all different types of assets
 - 6.4.2 Payment process
 - 6.4.3 Cash risk mitigation (including financial training, payment in instalments or any other relevant mitigation)
 - 6.5 Incremental land acquisition (ongoing acquisition of small pieces of land during project construction and operation, beyond the scope of this resettlement plan)
 - 6.5.1 Scope
 - 6.5.2 Processes (including consultation)
 - 6.6 Gender sensitivity assessment on proposed compensation entitlements (gender analysis and mitigation of any identified gender risks)
- 7. Livelihood restoration and improvement
 - 7.1 Principles (eligibility, key aspects of livelihood restoration and improvement entitlements)
 - 7.2 Restoration and improvement of land-based livelihoods
 - 7.3 Restoration and improvement of non-land-based livelihoods (employability enhancement, project procurement and employment, and so on)
 - 7.4 Training
 - 7.5 Specific aspects related to gender
 - 7.6 Specific aspects related to vulnerability
 - 7.7 Partnerships and linkages for the planning and implementation of livelihood restoration and improvement
- 8. Consultation and disclosure
 - 8.1 Main results of consultation carried out in preparation for the resettlement plan
 - 8.2 Engagement plan for further stages
 - 8.3 Disclosure
- 9. Grievance management and redress system
 - 9.1 Key principles
 - 9.2 Registration of grievances
 - 9.3 First tier of amicable settlement
 - 9.4 Resort mechanism and mediation
 - 9.5 Appeal to court
- 10. Vulnerable people
 - 10.1 Vulnerability analysis
 - 10.1.1 Vulnerability definition and criteria in the context of the project
 - 10.2 Potential activities to assist vulnerable people
 - 10.3 Arrangements for the implementation and budgeting of assistance to vulnerable people
- 11. Monitoring and evaluation
 - 11.1 General objectives of monitoring and evaluation

11.2 Auditing and monitoring during implementation

- 11.2.1 Scope and content – internal activities
- 11.2.2 Scope and content – external reviews
- 11.2.3 Indicators, including key performance indicators
- 11.2.4 Reporting

11.3 Completion audit

- 11.3.1 Objectives and scope
- 11.3.2 Success/completion criteria
- 11.3.3 Timing and implementation arrangements for completion audit

12. Implementation responsibilities and funding

- 12.1 Implementation responsibilities
- 12.2 Budget and arrangements for funding
- 12.3 Time schedule (including review of compatibility of resettlement schedule with overall project construction and development schedule)

Change management -Appendix A.

Detailed results of the census and socio-economic survey Appendix B.

Census dossier and methodology Appendix C.

Template of a claim registration and follow-up form Plus any other relevant appendices