RESETTLEMENT ACTION PLAN

for the Corridor Highway project
Component 1 - Corridor Xd, The M 1 Road
from Nis to border with FYR of Macedonia (E 75)
Section: Vladicin Han - Donji Neradovac

Corridors of Serbia Limited Liability Company

April 2012.
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# ABBREVIATIONS

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<tr>
<td>CLEIA</td>
<td>CORRIDOR LEVEL ENVIRONMENTAL IMPACT ASSESSMENT</td>
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<td>CSW</td>
<td>CENTER FOR SOCIAL WORK.</td>
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<td>EIA</td>
<td>ENVIRONMENTAL IMPACT ASSESSMENT</td>
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<td>GC</td>
<td>GRIEVANCE COMISSION</td>
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<td>KS D.O.O</td>
<td>KORIDORI SRBIJE DRUSTVO S OGRANICENOM ODGOVORNOSĆU</td>
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<tr>
<td>KS LCC</td>
<td>KORIDORI SRBIJE LIMITED LIABILITY COMPANY</td>
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<td>MOE</td>
<td>MINISTRY OF ENVIRONMENTAL PROTECTION</td>
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<td>PAP</td>
<td>PROJECT AFFECTED PERSON</td>
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<td>PERS</td>
<td>PUBLIC ENTERPRISE ROADS OF SERBIA</td>
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<td>RPF</td>
<td>RESETTLEMENT POLICY FRAMEWORK</td>
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<td>RSD</td>
<td>REPUBLIC SERBIA DINARS</td>
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<td>SIA</td>
<td>SOCIAL IMPACT ANALYSIS</td>
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**Executive Summary**

This RAP relates to 26.3 Kms of Vladicin Han-Donji Neradovac section of E-75, which is one of three sections to be financed by the World Bank. Because of the widening proposed in this section results the expropriation of 224 of hectares of land and impacts 1388 families. As a result of the construction of Highway 24 structure have been expropriated. Out of these 14 are being used for residential and business purpose and the rest are either vacant or used for summerhouses. The purpose of this RAP is to set out an action plan for expropriation and payment of compensation and assist the PAPs in their efforts to resettle and rehabilitate and improve their standards of living or at least be restored to the pre-displacement levels. This RAP is based on the provisions imposed in the Resettlement Policy Frame Work (RPF) adopted for this project, which is in line with the Involuntary Resettlement Operational policy of the World Bank.

At this section, 24 structures have been expropriated. For 13 structures compensation agreement were concluded and payment was made. Relocation will start in accordance with the schedule of work. Households, whose structures for permanent housing and business are being expropriated, bought new building parcel and start building their houses. Six owners of permanent housing have accepted participation in the survey.

Expropriation takes place after a certain alignment is declared to be of public interest by the Government of Republic of Serbia. At every phase, PAPs have a possibility to protect their given rights by involving them at all and every step being taken either by the Beneficiary of expropriation or by the institutions who by authority take the leading role in the expropriation process. In addition, PAPs have the legal right to challenge all decision being made either through appeal according to the Serbian Law of expropriation, or through grievances consistent with lines of the RPF and this RAP. Finally, PAPs have the right to enter into judicial process. The Beneficiary of Expropriation PERS, on behalf of the implementation entity KSLCC will monitor the implementation of the resettlement processes, both through internal, official institutional arrangements, as well as by an independent, external consultant to be appointed by implementing entity. The external monitoring and evaluation consultant will be appointed prior to construction starting on this section.

In line with similar projects implemented in Serbia, construction is expected to start after contract signing following international competitive tendering. Pre-construction activities associated with design work include soil investigations and detailed survey of the alignment. Prior to commencement of the civil work, the expropriation and payment of compensation and the key entitlements related to R&R assistance will be extended to the PAPs. Some of the additional benefits and assistance will continue to be implemented during the civil work period also.

Social impact assessment (SIA) for the Section Vladicin Han – Donji Neradovac was carried out based on Resettlement Policy Framework. The analysis was accomplished households surveys results for those who participated in the survey as well as other information gathered from municipality and other relevant sources.

The key findings of Social Assessment reveal that the land plots on this specific section are small with an average plot size between 2000 and 3000 m² and the ownership is rather complex. On one hand one small land parcel is owned by several owners and on the other
hand one PAP owns several agricultural land parcels (even those can be in co ownership) dispersed at the territory of this or neighboring municipalities. The Beneficiary accepted requirements for additional expropriation if the remaining land was not suitable for further use.

The socio-economic and demographic markers of the surveyed owners and their households reflect the conditions in rural areas within these municipalities. More than half of the surveyed householder are more than 50 years old, the rate of the woman householder is very poor and this is one of the characteristic for owner structure in traditional societies. The percentage of single member households is low (13.6%) and around one sixth of householders are those with old members (one or two member households) and without members younger than 65. Favorable conditions for the older households are that their relatives (adult son or daughter and grandchildren) live in the same settlement or nearby. Economic situation can be described as poor, as it is in other rural areas of the country. The most prominent source of income is pension, and in one fourth of surveyed households, both partners have pension. Around 25% of surveyed are unemployed and for them occasional work in grey economy is the main source of income. It is estimated that 30% of adult population work in grey economy, although that number can be even higher if we take into account those who beside permanent job or pension have additional work, often unregistered. High percentage of unemployment population in Serbia generates the high rate of those who live below or around poverty line. Poverty line is on 8800 RSD for the first member of household and 5000 RSD for every other member. If we take surveyed statement as relevant as almost 60% of households are below poverty line or around poverty line. All surveyed households members (accept one) live in housing structure that they own. The average surface area is 80m², means that every member has over 20m²; which is close to country’s average. The fact of owning houses for purpose of living substantially decreases the household’s monthly expenses. In accordance to available data, all households have agricultural land. Households mostly use agricultural products for their own purpose, however small numbers sell their agricultural products and make additional income for their households.

Public consultation with PAPs is organized as continuous process containing two main forms. The first form is public meeting that have been organized in several occasions, during which citizens whose property was envisaged to be affected due to the construction of Highway commented on the process of expropriation and pointed out existing and potential issues. The second form of cooperation with PAPs has been everyday communication during expropriation process, either by phone or visits on the request of PAP or in the municipal office by making the appointment. Beneficiary has in each municipality the representative from local office who is responsible for the permanent cooperation with expropriated households. The task of this representative is to register all the complains of these households, to facilitate their cooperation with municipal authorities and to inform the KS team about all problems during the expropriation process.

Institutions involved in the resettlement process are PERS, as the Beneficiary of expropriation, Koridori Srbije doo as the implementing agency, Municipality of Vladicin Han and Vranje as administrative institution through which the expropriation is being completed, Ministry of Finance, Ministry of Agriculture, Ministry for spatial planning and environmental protection, Land Cadastre Office, Tax Administration office, Government. Through the Business plan of Korridors of Serbia there are designated and allocated funds exclusively for expropriation /land acquisition on the E 75 Vladicin Han – Donji Neradovac in the amount of 600.000.000 RSD and covers compensation for all entitlements. This RAP will be
implemented over a period of next six months by October, 2012 and the impact assessment record the outcome of the implementation and propose any remedial measures required will be carried out after one year of its implementation.
CHAPTER I – INTRODUCTION

Background

1.1. The Government of the Republic of Serbia is currently developing the core road infrastructure on Corridor X with the assistance of International Financial Institutions. The objective of this infrastructure development is to facilitate sustainable economic development and ensure that the country capitalizes on its geographical position to continue its development on Trans-European Network. As part of this core road network improvement, the World Bank is assisting the construction of 35 Km of motorways consisting of three (3) sections along E75 and E80 motorways. These three sections include Grabovnica - Grdelica (5.6 Km) and Vladicin Han-Donji Neradovac (26.3 Km) on E75 Motorway to FYR of Macedonia and Dimitrovgrad bypass (8.67 Km) on E-80 Motorway. PERS, as the Beneficiary of Expropriation, in cooperation with the Department for Urbanism, Civil Engineering, Property and Legal Affairs within the municipal administration is conducting the expropriation process for all these three sections. This RAP relates to Vladicin Han-Donji Neradovac (26.3 Km) on E75 Motorway to FYR of Macedonia and involves expropriation of 224 hectares of land belonging to 1388 land owners including the impacts to 24 structures.

Objectives of RAP

1.2. Development projects that involve involuntary land acquisition and resettlement can cause long-term hardship, impoverishment, and environmental damage unless appropriate measures to mitigate these impacts.

1.3. RAP is prepared according to the Laws and regulations of Republic of Serbia and Resettlement Policy Framework adopted for this program by Government of Republic of Serbia, which is consistent with the World Bank’s operational policy provisions for involuntary resettlement. The objective of this RAP is to set out an action plan for the resettlement and rehabilitation of Project affected people (PAP) to ensure that they will benefit from the project and their standards of living will improve or at least be restored after the displacement. Acquisition of land and other assets for the project will adversely affect the livelihood of persons who live, work or earn their living on the land that will be acquired for the project. One of the objectives of developing RAP is to find out whether and to what extent land acquisition will have a positive or negative effect on the project-affected households. PAPs are defined as those persons whose land is being expropriated, or those persons whose income or livelihoods will be adversely affected by land acquisition for the project.

Scope of the RAP

1.4. Keeping the above objectives in view, the scope of this RAP includes but is not limited to:

a) Provide the details on the policies governing land expropriation, the range of adverse impacts and entitlements;

b) Present a strategy for achieving the objectives of the resettlement/land acquisition policy;
c) Provide a framework for implementation of the stated strategies to enquire timely acquisition of assets, payment of compensation and delivery of the benefits to project affected persons (PAP)

d) Provide details on the public information, consultation and participation, and grievance redress mechanisms in project planning, design and implementation

e) Provide identified sources and estimates of required resources for implementation of the RAP

f) Provide a framework for supervision, monitoring and evaluation of resettlement implementation in the case of expropriation of residential and commercial buildings.

Social Impact Assessment

1.5. In line with the provisions of RPF, a baseline socio-economic survey among the affected people has been carried out to record their key socio-economic and demographic characteristics, which will become the basis for measuring the changes in the living standards in the post impact period.

1.6. Collection of data on expropriated households was carried out by two types of questionnaires. The first is called short (“small” questionnaire), and was used for households subject to expropriation of agricultural land only, as well as for households whose income from expropriated land is not crucial for their existence. The criterion that determines whether the expropriated land is required for existence of households is in relation to the total area of agricultural land owned by households. The second (“broad”) questionnaire is applied to households faced with expropriation of residential property or the active business objects used for a registered activity. The second type of questionnaires were also used for households whose income is based on agricultural activity, specifically those who earn more than half of total revenues through agricultural production. The survey covered the details of individual losses of land and other properties and collection of household information related to assets, income and expenditure, demographic characteristics, housing and access to basic amenities. The analysis also included statistical and spatial data as well as available information on services of public interest in the local community.

1.7. The Project Affected Persons are defined as those who because of the execution of the project had or would have their:

a) Standard of living adversely affected if the compensation for expropriation is not sufficient for purchasing a new property of the same quality or if the construction of the highway would damage the environment and overall endangers the household

b) Right, title or interest in any house, land or any other fixed or movable asset acquired or possessed, temporarily or permanently

c) Business, occupation, work of place of residence or habitat will be adversely affected

d) Project affected people means any of the displaced persons.

e) PAP 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

f) PAP with formal title of tenancy on private or public land

g) PAP with formal title over land, which will be needed during construction on a temporary basis

h) PAP without formal title on affected land or business but their livelihoods are directly dependent on the affected land or businesses (e.g., those working on affected agricultural land or working in the affected businesses)
i) Project affected persons without formal title of ownership or use but who have established usage of public land by investing in immovable objects, crops, woods, trees, fruit bearing trees, vineyards, the age of crops, and the time needed to reproduce them.

Nature of Impacts

1.8. The following impacts are identified in the project
a) Permanently acquired land consisting of cultivated and non/cultivated land within the line of acquisition. The cultivated land includes paddy field, dry field, vegetable field, non-cultivated land, forestry field and housing land.
b) Building structures for residential and business use
c) Affected land attachments; land attachments located within the line of expropriation, mainly including supporting wall, well, brick/tile kiln.

Impact Zone

1.9. During the development of SIA two impact zones are defined. They are based on the assumption that construction of new road would affect life of local residents:
a) Direct impact zone, the area in which the land and structures which are the subject of expropriation are located,
b) Indirect impact zone, in which various effects can be expected due to the construction and use of the highway. During consultations with the local population, project adjustments were determined with an aim to prevent possible negative impacts. One such adjustment was made by decision to build an underpass so residents of village of Ribince could pass under the highway to another part of the settlement where public services (school, health institution etc.) are located as well as pastures and other goods. The most common planned measures relates to the installation of additional noise barriers if it is confirmed that some facilities are threatened by noise from the highway.

Based on the results of the social impact assessment and consultations, the RAP was developed. The details of expropriation process and compensation payment, finding of Social impact assessment and proposed institutional arrangements including budget and timetable, grievance redress mechanism and monitoring and evaluation arrangements are provided in the subsequent chapters.
CHAPTER II – Legal framework and resettlement policy provisions

Resettlement Policy provisions

2.1 The RPF outlines the process of expropriation and additional support for various categories of affected people and the process of carrying out the social impact assessment and preparation of Resettlement Action Plan (RAP) prepared consistent with the Serbian Government’s laws and the World Bank’s operational policy provisions for involuntary resettlement. This document has been adopted by the Government of Republic of Serbia as part of Implementing of this project which is adjusted with the policy provisions applicable for the World Bank assisted projects. The key additional support in addition to compensation under Expropriation is described below. See Table 1 of RPF for details which are provided in Annexure V.

   a) **Unviable or redundant parcel**: An accredited expert, on behalf and at the PAP request will make an evaluation whether the remaining parcels are economically unviable. This assessment is done on site, in the presence of the PAP, the beneficiary of expropriation and representatives of the Municipality. In case of these, the affected people will be offered an option to surrender and receive compensation for the entire parcel of land;

   b) **Land needed for project works on temporary basis**: In case of any land parcels required during the construction period on temporary basis, the lands will be taken on lease basis and rental allowances will be paid for temporary duration;

   c) **Loss of Houses**: In addition to compensation under expropriation, the families loosing houses will receive additional support for moving expenses, transitional allowance and costs towards administrative and transfer taxes. Moving expenses are defined as costs to move households by truck, costs to move households by manual workers, according to the price list for similar moving in the area. Transitional allowances are defined to the maximum of 6 months minimum wages at the value given by the Republic Organization of Statistics for the month in which the payment of the allowance is being made. The transitional allowance according to the Law on Taxes and Tax administration, PAPs are exempted from all and any such obligation to pay administrative and transfer taxes. Transitional allowances are shown separately in the compensation assessment for Loss of Houses and as such are subject to the compensation agreement.

   d) **Non-title holders occupying the public lands**: Compensation to replace lost assets to the project;

   e) **Affected leased public properties**: Assistance to provide alternative corresponding equivalent public properties;

   f) **Tenants, employees or workers**: Compensation for loss of income and replacement cost for any investments, three months livelihood assistance in the amount of maximum three minimum wages. The replacement cost is determined by an accredited expert;

   g) **Impact on business**: Relocation cost of affected business and replacement cost of business is determined as cash compensation at replacement cost for affected
structure calculated based on the market price determined by the Accredited experts office, one time allowance for costs of moving, calculated as moving expenses, and taxes;

h) **Assistance to Vulnerable people**: Households with many dependants, 1 unemployed heads, households with disabled and poor households, (households with incomes less than 8,800,00 RSD per household member are defined as the ones at the poverty line) will be provided additional support as monthly allowance in the amount of monthly minimum wage for a period of maximum 6 months.

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1 Dependants are being defined as household members who cannot take care of themselves and require alternative care and help either by family members or by specialized persons or services. The level of dependency of the household is being defined through comparison between the number of dependants and number of household member capable of running and supporting and caring of the households and its members and if the number of dependants exceeds the number of nondependent in a level more than a rate 1:2 in favor of the dependants.
CHAPTER III – Expropriation and compensation payment

Introduction

3.1. Public interest for expropriation and administrative transfer of immobility’s, for construction of Section Vladicin Han – Donji Neradovac, was enforced by the Governments decision 05 No 465-9774/2010 dated 29 December 2010 according to article 20 Law of expropriation (Official Herald of Republic of Serbia no.53/95, 23/01, 20/09).

Expropriation Process

3.2. The expropriation is carried out during April 2011 to December 2011 for a length of 26.3 km and is administratively covered by the Municipality of Vladicin Han and Vranje, whereas the total expropriated area amounts to 224,000 m² (Approximately 24 ha). Upon the legal validity of the decision on expropriation, the owners of the expropriated properties received written offers on the compensation amount for the land, plants and structures. Upon the completion of the expert survey by agricultural expert, the offer for the expropriated land is made depending on the location, quality and purpose of the land. The value of plants is determined by the agricultural expert from the Institute for Expert Analyses of the City of Belgrade, and in accordance with Article 45 – 47 of the Law on Expropriation (harvest, age, fertility, undercoated investments...).

Compensation cost for standing crops etc

3.3. Compensation cost for standing crops is determined by an accredited expert and include the value of crops, including the time needed to reproduce them, Fruit bearing trees the value of the harvest, including the value of time needed to reproduce such a harvest, the replacement cost for any investment (input, labor, etc) made to raise new plants vineyards and orchards until they reach full yielding potential young vineyards or orchards not yet fruit bearing, the replacement cost for any investment made for raising a replacement vineyard or orchard, including the value of time needed to reproduce replacement vineyards or orchards and compensation for lost yields for each year from the year of expropriation. Nursery the replacement cost for any investment made on planting material not utilized. (See Annex V Entitlement matrix).

Compensation cost for structures

3.4. Compensation for structures according to article 43. of Law of expropriation compensation for expropriated houses, flats or business is determined to the market value of such a structure. In line with article 42. The assessment of the market value lies with the Tax administration office. During the assessment the Tax administration obtains the necessary data from accredited court experts regarding every single structure. The assessment is determines on one hand the compensation for the structure and on the other hand all other allowances as guaranteed under this RAP such as moving allowance and transitional allowance.
Minimization of Impacts.

3.5. One of the main criteria which guided the designers whilst determining the alignment of the Highway was to avoid in an extent as possible acquisition of agricultural land of the best quality thus minimizing the expropriation of such land. The small number of expropriated structures indicate that relevant rules have been followed in respect to the minimum distance between the inhabited areas and the proposed alignment. Almost 50% of the structures falling under the impact are abandoned or seldom used temporary facilities. Although, as explained in previous lines the mitigation measures were applied it could not have been avoided to have impact on structures at all. The fact that most of the PAPs opted to have their entire land parcel taken according to article 10 of the Law on expropriation shows that expropriation is often to be understood as source of earning money since the survey showed low transaction rates in this area. The impact appears to be minor regarding individual PAPs since only in a limited number of cases more than 20% of the entire land has been expropriated which indicates the minor impact in lines with the point of view on guidelines on involuntary resettlement. This impact was the reason why there was a rather low response to the survey. The list of these people, loosing more then 20 % of their entire land, the Tax administration office will be addressed to verify the provided data on household property. The list of PAP loosing more then 20 % will be completed once the Cadastre and Tax Administration office supply the data on eligibility for this category of PAPs and this task will be completed by April, 2012.

3.6. A process has been adopted for negotiations with the local population/households, whose land or structures are located within the boundaries of the impact area, which can have an effect on works and the forming of a new traffic way. After filming the terrain, the properties which will be the subject of expropriation and the owners of these properties were recorded. Owners have been offered two models of expropriation: (1) Providing ownership of new land in exchange for the expropriated land (agricultural), and (2) Payment of money for market value of the land or structures. Following the consultation carried out in Grdelica, the owners selected payment of money and their preferred mode of compensation. Accordingly, the compensation will be paid to all those affected under expropriation.

Compensation Rates.

3.7. Compensation rates are determined by the Municipality Tax administration office. The methodology applied by the tax administration could be considered as in favor to the PAPs. Namely, according to the Law of expropriation the market value/price is determined in comparison to the price obtained in the sale transaction of the nearest neighboring land parcel to the one subject to expropriation. Regarding to this specific section as well as sections along the Corridor X route, no significant transactions have been noted. The transaction are often reserved to areas in the vicinity of large cites and within urban centers with intention to convert such land into building land. The price of such land acquired to be converted is higher than agricultural land without perspective of changing its purpose. As a result the compensation rate is determined in a higher amount than the average agricultural land. The best indicator for this lies within the fact that the number of PAPs who are not satisfied with the compensation offer and therefore entered into judicial proceedings is almost such to be not regarded at all.
3.8. Expropriation for purposes of construction of the Corridor X enabled some PAPs to receive monetary compensation enough to purchase a new land parcel within the boundaries of building land. Therefore giving them advantage over those citizens not under the impact of the Corridor X construction is not acceptable.
CHAPTER IV – SOCIAL IMPACT ASSESSMENT AND BASELINE SOCIO-
ECONOMIC CHARACTERISTICS

4.1. The provisions of RPF requires that the implementing agency carry out a Social Impact Assessment (SIA) for project area to identify the social impacts associated with the project and to collect the baseline socio-economic characteristics of the project for affected households which will become the basis for assessing whether the project has realized the resettlement objectives of improving or regaining the pre-project living standards among the project affected people.

Methodology of the Social Impact Assessment

4.2. The preparation for the SIA for the section Vladicin Han - Donji Neradovac was made thorough analysis of alternative approaches, the establishment of the methodology, content and scope of the methods for data collection (questionnaire), and methods for monitoring implementation of the obligations set out in the RPF. Final versions of the small and broad questionnaires were established as well as other procedures necessary for data analysis. Also financial costs for conducting surveys on all the PAP were estimated as well as costs related to checking the reliability of the data obtained in the survey. Suggestions were also made in the context of methodological procedure modification to improve the use of two questionnaires, and conduct surveys on a sample of households with expropriated agricultural land.

4.3 As a part of preparation activities meetings were held in the municipalities of Vladicin Han and Vranje. Special meetings were held in the cadastral offices and departments of the municipal revenues in order to determine the availability and reliability of PAP property data, which would be used as corrective information during the analysis of data from surveys and would determine the level of household vulnerability. It should be pointed out that the data from the cadastral service is still incomplete and does not provide a basis for checking the reliability of data on household assets.

4.4. Since the data obtained as a result of the survey cannot be used as sufficient evidence on all the socio-economic markers of the households, data collected by the survey on disabled members of households and households below the poverty line will be checked in cooperation with the municipality CSW. This institution has updated information and uses national criteria for identifying eligible beneficiaries, and they are corrected in accordance to overall living conditions within local community. Households that can be identified as vulnerable categories will be known after collected data from survey are compared to those from CSW. In this way, the information on socio-economic conditions of households and its reliability will be compared. Based on such cross-reference verification suggestions on additional allowance will be proposed. This will also be done in consultation with CSW. Taking into account high rate of poverty, priority will be given to such kind of support to benefit a larger number of the most vulnerable among the vulnerable with an aim to improve their life conditions. It is planned that consultation in CSW be finalized by the end of April 2012.
Comparative analysis of development and social development indicators in the municipalities of Vladicin Han and Vranje and the average in the Republic of Serbia

4.5. The chapter covers the socio economic characteristics of municipalities Vladicin Han and Vranje; information is collected in accordance with available statistical data. Notable difference between these two areas exists on the level of population density, which in Vladicin Han (61 in/km2) is considerably under Serbian average while in Vranje it is around average (101 in/km2). There are some differences in the structure of the population. Municipality of Vranje has a higher proportion of youngest (up to 14 years), as well as those from 15 to 19 years old, and a much lower share of elderly population (12.8%) than the republic average (16.5%) and as it is the case of municipality Vladicin Han (17.1%). In addition, the municipality of Vranje has an above average number of pre-school and school age young people, compared with the national average and the data from municipality of Vladicin Han. The statistics on the educational structure of the population in both municipalities shows that they are under average compared to other parts of the country. Especially Vladicin Han has a high proportion of citizens who are aged 15 and older and who did not complete primary school (32.6%), this group refers to citizens without even a single grade finished (13.2%). In both municipalities, especially in Vladicin Han, it is evident that there is a low proportion of citizens with higher education, therefore it can be suggested that there are significant human resource constraints in these areas. The employment rate in municipality Vladicin Han is under the Republic average, while the municipality of Vranje rate is slightly above average. In terms of the number of pensioners, both municipalities are below the Republic average, the percentage of supported persons in both municipalities is higher than the Republic average, particularly in the municipality of Vladicin Han. In both municipalities there is low proportion of citizens who work abroad. In summary, education and age structure of the population indicates the need for additional education, vocational training and retraining in order to enable citizens (owners of expropriated land) to invest funds received from the expropriation in other economic or entrepreneurial activities with more expertise skills.

Household Survey

4.6. The household survey was conducted during the process of expropriation where owners were interviewed. There were five interviewers, asking questions and filling answers into the questionnaire. All PAPs came to be informed about expropriation process were offered to take part in the survey but just a relatively small number agreed to participate. In addition they were offered to fill the questionnaires at home and submit it later to the municipality. The reason for such low response in participating in the survey is in the fact that very small numbers of owners were involved in expropriation with more than 20% of land in their property. The other reason is that owners are not interested to participate in any kind of survey lies within the satisfaction regarding the compensation received for their property.

Socio-economic Status of Project Affected People

4.7. This section presents the findings of the baseline socio-economic survey carried among the affected households. The key baseline data is provided below which becomes the basis for measuring the changes in the living standards of the affected people during the post construction period.
<table>
<thead>
<tr>
<th>No</th>
<th>Indicator</th>
<th>Value</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Average monthly households income (in EUR)</td>
<td>25,000 RSD (250 EUR)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Average monthly income per member (in EUR)</td>
<td>6,400 RSD (65 EUR)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Proportion of households below poverty line 8,800,00 RSD / 88 EUR per household member</td>
<td>34.5% (households below poverty line) and 57.6% (poverty line in regard to the members of household)</td>
<td>The official poverty line is 8,800 RSD for the first adult in a household, while the limit for a family with 3 members is 18,650 RSD</td>
</tr>
<tr>
<td>4</td>
<td>Average Family Size</td>
<td>3.5 members</td>
<td>Average Family Size is somehow smaller as explained in Para 4.9.</td>
</tr>
<tr>
<td>5</td>
<td>Proportion of households regarding primary source of income</td>
<td>Pensions 45.5% Permanent/temporary employment 31.8% Grey economy 21.2% Unknown 1.5</td>
<td>Data on families with no income will be verified at CSW. For example, in the survey respondent said that his family has no income, even though his household has one employed member, the property of 2 hectares of agricultural land and an apartment of 200 m². After reviewing the economic situation of the eight households in CSW, the objective situation will be determined as well as way of additional support.</td>
</tr>
<tr>
<td>6</td>
<td>Proportion of families without any earning members</td>
<td>12%</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Average number of earners</td>
<td>1,5</td>
<td>The pensioners are included. The members of households that deal in grey economy are not included as we do not have reliable information</td>
</tr>
<tr>
<td>8</td>
<td>Average house surface area</td>
<td>80 m²</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Average landholding size</td>
<td>185.6 acres</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Proportion of families with indebtedness</td>
<td></td>
<td>Only one household surveyed by broad questionnaires, has a monthly debt of 40 EUR</td>
</tr>
<tr>
<td>11</td>
<td>Proportion of households rating their economic status as poor and very poor</td>
<td>58% as poor and 22% as very poor</td>
<td></td>
</tr>
</tbody>
</table>
Demographic characteristics

4.8. Among the households owners surveyed, almost half of respondents are less than 60 years old (47%), while there is 22.7% who are older than 70 years, (Table 1: Age profile of respondents in ANNEX I Tables from households survey). Less than a fifth of respondents are female (Table 2: Respondents by gender in ANNEX I Tables from household’s survey). This gender structure of respondents differs from the results obtained from section Grdelica - Grabovnica where the share of women among respondents was only 6.5%. In Serbia, the property owner gender structure is similar to data received in the zone Grdelica – Grabovnica. It must be pointed out that this gender structure reflects the traditional pattern of inheritance that means the priority was given to male children while female children denied inheritance. The law on inheritance was adopted immediately after World War II. Although the law equalized the inheritance rights of male and female children, it is still notable that there is a gender dominance of men in rural areas, especially in underdeveloped regions. Above average participation of women in the ownership structure on this section is in the relation with old age of respondents. It should be noted that the respondents here are not necessarily the formal property owners, but representatives of the deceased owners.

4.9. The average household size in the municipalities of Vladicin Han (3.09 members) and Vranje (3.25 members) is higher than the Republic average (2.97 members). The average size of surveyed households is 3.5 members. Consequently, on this section (similar to survey for section Grdelica - Grabovnica) average size of households is higher than at the municipality’s level. Toward this data it is necessary to proceed with some doubt. It can be assumed that the members of surveyed households provide incorrect information with an intention to show negative economic situation. Additional analysis of the questionnaires showed that in some of them it was stated that adult family member, sons and daughters living in the same village are included as household member although they are not and have households of their own. Such discrepancies were not able to be checked or avoided. This problem was also identified during residents’ survey on the section Grabovnica – Grdelica (Table 3: Households size in ANNEX I Tables from households survey).

4.10. About one-fifth of those surveyed live in 3-person households (21.2%), and the most represented families are married couples with one or more children (40.9%). There are 15.2% of couples without children and 13.6% of single households (Table 4). Also there is a high proportion of elderly households (22.7%), with 1 person (12.1%) and 2 persons (10.6%) (Table 5). Status of elderly households will be verified at the SCW, where they obtained data if the households have home care assistance or some other type of social support. However, a number of these elderly households have adult children (for example married sons and daughters) who live in the same village or in nearby towns. Among the households surveyed in this section, there is a relatively low share of multi-generational families. Extended three-generation households have a prominent role in poor areas characterized by the absence of access to services of public interest (pre-schools, health services, care for the elderly and the sick, etc.). On the other hand, there is marked difference between the data on high average number of household members and information on family structure of households. One third of households (33.3%) are with children which go to school, whether primary or high school. (Table 4: Household structure and Table 5: Elderly households in ANNEX I Tables from households survey)
Employment status and income source

4.11. Data on the employment status of respondents and his/her spouses (Tables 6 and 7) shows that pensioners are the most prominent (45.5%). The second most frequent category is permanent or temporary employees (31.8%), while Table 6 shows that just over one-fifth of surveyed citizens are unemployed and they are mostly engaged in informal/grey economy. Employment status of spouses is very poor. Half of the spouses are not in employment (housewives, unemployed...) which means without their own permanent income. Just over quarters of spouses, (26%) have a pension, and there are 18% who are employed. Not even one of the respondents mentioned agriculture as the main source of income, but 4% of those who are married stated that the spouse deals with agriculture as a primary occupation (Table 7). Besides married couples, it is very rarely that other members of households will have permanent or temporary employee status. (Table 6: Employment status of respondents and Table 7: Employment status of spouse in ANNEX I Tables from households survey)

Owner status of housing premises

4.12. One third (31.8%) of the total number of surveyed citizens live in Dekutince, over a quarter (28.8%), in Ranutovac and 12.5% of households are located in villages Mazarac and Pavlovac. There are 7.6% households in Vladicin Han and 1.5% of households are in Vranje, Goranje and Kalimance (Table 8). All residents have owner-occupied status of housing premises, except one with a tenant status (Table 9). Average house area is about 80m$^2$. About 10% of houses cover area of less than 50m$^2$, about one-fifth has surface area of objects from 51m$^2$ to 70m$^2$ or 71 to 100m$^2$, and over 40% of housing units has a surface area greater than 100m$^2$. (Table 8: Permanent residence and Table 9: Ownership status in ANNEX I Tables from households survey)

Loss of land, structures and businesses

4.13. The only available sources of data about the ownership of agricultural and other land are based on citizens’ statements. However, 15.6% of respondents said they do not know total area of agricultural land. Explanations for such responses may vary. One could be that people really do not know the actual surface of their property because there is a variety of unresolved property relations, out of which a great number is in judicial proceedings or because the inheritance of land is not properly registered after the death of the previous owner. Another reason is the intention to conceal the true ownership of land and to show financial situation worse than it actually is. According to data obtained in the survey, the smallest property is 16 acres and the largest 800 acres (8 hectares). 15.6% of households possess less than 50 acres of agricultural land, the same percentage of households hold between 50 and 99 acres. More than half of surveyed households (53.3%) own a hundred or more acres of agricultural land. Although at first sight the proportion of land in ownership and the rating of the economic status of households seem not to be in compliance, it is necessary to remind that land ownership in the undeveloped region of Serbia is not an indicator by which you can determine the economic status of any household. The use of agriculture land is of low intensity, and the most frequent reasons are: old age of owner and other members of household, low income of agriculture, unorganized market for selling the agriculture products. Therefore, the agricultural activities are dominantly limited to the production for the household’s purposes.
Income

4.14. The monthly household income ranges from those who declared zero income to those that have above average income. The average monthly income of surveyed households is about 25,000 RSD. According to respondent statements, 12.1% of households declared zero income, 31% of households have less than 10,000 RSD per month (100 Euros), and about 26% has income from 10,000 to 20,000 RSD per month in the last year. 30.3% of households have revenue over 20,000 RSD per month. (Table10: Total household income and income per member in ANNEX I

4.15. Average household monthly income per member is about 6,400 RSD, and it ranges from 675 RSD to 28,800 RSD. Households that gave statements that do not have a regular income and those whose income is less than 8,800 RSD per member (22.7%) will be additionally verified through CSW. According to survey result, there are 9.1% of households on the poverty line, which will also be reviewed in the CSW. Between 10,100 RSD and 20,000 RSD per member achieves a quarter of households, and over 20,000 RSD one third of a households.

4.16. Third column of Table 10 in ANNEX I Tables from household’s survey provides the number of members in each income categories. There are 233 members that live in surveyed households; 12.9% of them live in households with no income, 30% in households whose monthly income per capita is to 4,000 RSD, and 28.3% in the households that monthly earn between 4,000 and 8,800 RSD per member. Between 10,000 and 20,000 RSD has 15.2% of persons and over 20,000 RSD 4.6% persons. A small number of households (less than 10%) were able to estimate the annual income from agriculture (from 10,000 to 100,000 RSD on an annual basis). Agricultural income is usually earned by selling milk or vegetable products. Only one household receives child allowance (2,000 RSD per month). Regular child allowance is 1,700 RSD per child. However, it should be noted that if someone owns more than 1 hectare of agricultural land he or she is not eligible to receive child allowance.

Agricultural activities

4.17. According to the responses, four fifths of households are engaged in agriculture. It is most common that the respondents (head of the household) rather than other members of households are engaged in agriculture. However more than half of those surveyed (58%) stated that other members are also involved in agricultural activities. Rationale for not taking activities in agriculture lies in older age, chronicle disease, lack of time due to other obligations. Very small numbers of households sell agricultural products, mostly milk and vegetable. The most households are engaged in agriculture for their own use. Estimated income from agriculture is very low. Agricultural machinery is possessed by almost half of households; usually they have one tractor, cultivator and other equipment. Households do not hire seasonal workers. More than two-thirds of respondents (68%) will continue with agriculture after expropriation, the main reasons for this lie in the fact that agricultural activities support the citizens’ existence and represent the source of income. Not even one household plans to be fully engaged in agriculture, in a sense it could became stable source of income or they perceive agriculture as a sector of activity that can provide a decent living. Not even one of the PAPs has the intention of bying a new parcel of agricultural land although
the statistics show that the compensation rate enables the transaction of two or three times more land than the expropriated one.

**Disabled members of household**

4.18. A quarter of respondents reported that they live with one or two disabled household members who need support and are unable to live independently. Most often these are elderly, chronically ill, disabled or immobile persons. Disabled member is defined as a member of a household with wide range of difficulties in performing everyday activities. Often each person over 60 years is characterized as disabled person, regardless of the actual physical and mental health status, or persons with reduced vision or hearing. The number of households with disabled members that achieve some form of social support (home care assistance, material allowance) will subject to verification the CSW.

**Households below the poverty line**

4.19. One approach in assessing the extent of poverty is monthly income per member. In Serbia the poverty line is income of 8,800 RSD per month. In accordance to this criteria, around one-third of households fall into that category, and above this limit there is a high risk of poverty in about 9% of households. These estimations are based on the surveyed citizens’ statements.

4.20. It is not possible to check and determine the validity of the available data; the reported amount of income is one of the indicators used for measurement of poverty that helps in defining household economic situation. There is no possibility of verification of values or using other measures in determination of the credibility. Still we can provide information about the housing area as an indicator of a household’s economic situation, and compare them with stated-income. Three households with no income live in houses with surface area of 20, 30 and 40 m². On the other hand, two households with no income live in houses with surface area over 100 m². It is clear that market value of these houses is very low because they are situated in the rural areas, but this ownership can be used as an indicator of quality of living. It should be pointed out that these examples are not mentioned because we want to challenge data, but aims to emphasize the complexity and difficulty in obtaining data and assess their credibility.

4.21. Another approach in assessing the extent of poverty differs from income in accordance to household members. In this approach the starting point is the criteria that the limit of poverty is 8,800 RSD for the first adult household member, while for the other members this amount is reduced. In accordance to the Poverty Reduction Strategy of the Republic of Serbia, the lower limit for the three-member family is 18,650 RSD (in 2008.). Based on the values poverty line is 8,800 RSD for the first household member, while that amount is around 5,000 RSD for each other family members. If we accept this approach, then we get a different data on households below poverty line. Therefore, Table 11 shows that almost 60% of households are below the poverty line. According to social services reports the extent of households below the poverty line in Serbia in May 2011 was estimated at about 10%. (Table 11: Income in accordance to household members in ANNEX I Tables from household’s survey)

4.22. Data on the income of households, obtained in the survey, indicates widespread poverty in municipality Vladicin Han. These figures are significantly worse in comparison
with statistical data on extent of unemployment. The number of unemployed people for every thousand residents in the municipality Vladicin Han in 2009 were 182, while the Republican average was 99.

4.23. On the other hand, in order to understand the scope of poverty, attention should be drawn to possible impacts of previous expropriation on the Corridor X. It should be noted that experiences with expropriation on Corridor X have an impact on the citizens’ perception on the whole process. There is a widespread belief that high level of household poverty may increase chances for obtaining additional support. It can be argued that there is a possibility that the respondents displayed their own economic situation as worse than it really is, because in that way they are more likely to qualify for additional support.

**Expenditure pattern**

4.24. It is expected that in poor households the largest portion of monthly income will be spent on food. In the poorest households, expenses for food make up more than 80% of the total income. Considering that all of those polled live in apartments which they own, expenses for housing encompass the payment for utility services (water, electricity, heating). Among the other most common and highest stated expenses are for medicines, especially in households with disabled or elderly members.

4.25. To understand the potential effects of the expropriation of agricultural land along the Corridor X it is important to mention the experience of spending money received on various grounds in the Vladicin Han municipality in the last ten years. Namely, during the privatization process a large number of employees took advantage of taking dismissal wage from losing jobs, retirement, etc. These funds in most cases were used for the purchase of durable consumer goods (car, buying an apartment in a town, buying the devices for the home, etc.), rather than in activities that bring income. According to collocutor from municipality Vladicin Han, a bad experience with the expenditure of these funds, made the citizens who receive money for expropriated farmland much more cautious and rational when deciding to invest.

**Household assets**

4.26. The economic situation of the households can also be measured through ownership of household assets. In this survey, we did not use ownership of cars as a relevant indicator simply because many cars are more than 20 years old and their market value is only a few hundred EUR. Many of these vehicles are not registered, because the annual cost of registration is high (several hundred EUR), so members of households use them only on some occasions (emergency transportation, etc.). All households have basic equipment such as heating stoves (using woods and coal), refrigerator, washing machine, but most of these appliances are more than 10 years old.

**Self-perception of socio-economic position**

4.27. Of the total number of those surveyed, nobody rated their socio-economic position as above average. One-fifth (20%) assessed their socio-economic status as an average, almost two-thirds (58%) as poor and more than a fifth (22%) as very poor. The most frequent reasons for this perception of the economic situation of their own households are unemployment, lack of money and low income. Among the surveyed households that have 100 and more acres of land, almost 73% rated their socio-economic situation as poor or very poor. This confirms the
self-perception and estimation of the very low value of land as an economic resource amongst the PAPs.

**Impact on Women**

4.28. Almost 1/5 of all the surveyed owners were women. This is a rather high ownership contribution as far as women are concerned in the rural areas of Serbia. Namely, the traditional inheritance rules favored the masculine children. The fact that a proper registration of their ownership rights has been made allows the women to decide or at least influence the decision on how to spend or invest the compensation received on ground of expropriation. On the other hand, positive effect of the construction and improvement of the general infrastructure will benefit the women only along within the general improvements which are not limited to women alone.

**Households with expropriation of structures**

4.29. Six households will have their residential property expropriated. For interviews with these residents the “big” questionnaire was used. A detailed overview of data collected in the interviews is provided in ANNEX II. All expropriated residential buildings have a large surface area, three are over 200m\(^2\), and the other three are 180, 105 and 80 m\(^2\). All facilities were built in the last 30 years by quality building materials, and are equipped with water and electricity installations. Two buildings contain business space, which brings some monthly revenue. Regarding the household structure, one is single household; two households are with married couples, in other three households parents live with adult children. Two households have pensions (one or two pensions) and also they have income from businesses (bakery, trade shop), as well as income from agriculture. All households are engaged in subsistence agriculture. Two households are planning to stop working in agriculture after expropriation and resettlement; furthermore they will not buy new agricultural land in exchange for expropriated land. All households are planning to build a new house, but have not yet decided on a place. Households that plan to continue with farming will build a new house in rural or suburban areas. In assessing their socio-economic status, a householder (own a house of 250 m\(^2\)) with five employed members of family and with additional income from agricultural production (500 EUR per month) rate his household as poor. Only one household repays the loan. Neither one household bought a valuable home appliance (more than 300 EUR) in the last two years.

All other structures are houses used for permanent residence but the owners would not participate in the survey, and ten of them are small structures used for agricultural purposes or as weekend houses to be used basically only during the summer since they have no electricity, water etc. Given the rare use all owner did not hesitate when deciding to accept the offered compensation.

**Interest in training and certification programs**

4.30. Although this issue was not included in the small questionnaire, during the public consultation (held on May 5th) we noticed interest especially among young citizens for some form of additional training and acquiring new knowledge, whether for themselves or for members of their households. Two potential decision makers could organize such programs.
First are civil society organizations, however it should bear in mind that in this municipality, the civil sector is relatively weak and in need of appropriate support from both regional organizations as well as from international civil society organizations. Another important actor is the local government, which can support various programs by providing space, equipment and other benefits for the organization of additional training and retraining courses. CoS will identify the interest of the affected people for various training program and accordingly in collaboration with the local municipality or other civil society organization such skill upgrading programs will be organized.

**The decision makers that could improve living conditions of expropriated households**

4.31. The previous practice of expropriation within various projects in Serbia (lignite surface mining in Kolubara, open pit copper mine Veliki Krivelj Cerovo in Bor municipality, Corridor X and others) indicated the need for organization of appropriate activities that could help expropriated households to cope in a rational manner and invest money received for expropriated land. As explained in previous sections, money obtained from dismissal wage from losing jobs, retirement, in the process of privatization etc., was spent for buying consumer goods. The result is that such investments do not provide any income and that money is practically thrown away. Example from Vladicin Han municipality confirmed importance of organizing such activities.

4.32. Vladicin Han Municipality has launched several activities under the Investment Plan Macro project, with an aim to help people who will get the money for the expropriated land to partly invest these funds in economic quality development programs. One such activity is project of the industrial zone, which has been accepted within the IPA 3 Fund for 2011/2013. Other activities envisage the formation of center for fruit and vegetable crops. The local fruit processing plant DELISES was bought by NEKTAR - one of the largest manufacturers and processors of fruits and vegetables in the Balkans, who also bought company Fructal, the biggest Slovenian company in the production of juices, a few months ago. The project aims to establish various programs of cooperation with local farmers, such as donating fruit trees to expand fruit production, expansion of agricultural production with provided purchasing, subsidized terms of procurement of licensed heifers with additional breeding training. Information about these programs is submitted through the media and through direct communication in municipality. Vladicin Han Municipality accepted Government decision and hired eight agronomists who work on a daily basis with local farmers and help local people to improve agricultural activities. The municipality is in final discussion about activities of local dairy, which could be included in a wider network of milk production and processing of dairy products, also local dairy could cooperate with local cattle owners.

4.33. In the municipality of Vladicin Han, similar to other areas of Serbia, one of the main developmental limits lies in low social capital, underdeveloped and poor habits and the ability of citizens to associate in order to achieve common goals and welfare. Another important limitation is the low educational structure, particularly low level of knowledge about modern forms and requirements for agricultural and other production. The third limiting factor is underdeveloped entrepreneurial spirit and weak entrepreneurial skills. It can be argued that this is result of decades-long monopoly of state enterprises that minimized individual responsibility for the development of their households and communities. These limiting factors were the reasons for local government to take a role of actor in community development. There are two ways of implementation of this role. The first is to support
individual programs for small producers and to work on their integration into larger groups, and other implies training and encouraging creation of associations and cooperation in order to start the implementation of joint projects. On such basis, small processing capacities can be formed complementary to the already developed and economically sustainable projects.

Positive effects of constructing the Highway

4.34. Despite the fact that the process of expropriation led to a loss of a certain amount of agricultural land for the households whose property was located within the proposed route of the new or improved road, monetary compensation will generally strengthen the economic situation of the households. On one hand, the households acquired money through the transfer of land which in regular trade would go for a much lower price because in this part of Serbia, there is still no interest for agriculture production for market and agricultural land is not considered as significant economic resource. On the other hand, the money which will be received will allow the households to improve their general quality of life (construction of or additions to residential structures) and to potentially use the money as an investment in strengthening the individual resources of the household members (education, certification, purchasing agricultural machinery, or starting up a business, etc.). The low price of agricultural land allows households to use the proceeds from expropriation to buy new agricultural land and continue with agricultural production. Programs that aim to encourage agricultural production and strengthen citizen motivation in Vladicin Han municipality would also have positive impacts. On one hand, new motorway will make easier transportation and will help in establishing connection between this and other parts of the region. Further this will encourage selling agricultural products in other parts of the country. On the other hand, money that citizens get from expropriation can be invested in purchasing of new agricultural land and the remaining part of the money can be used in broadening agricultural production (fruit crops, vegetable). Money from expropriated land can be defined as an important push up factor that leads to promotion of household's social welfare and also benefit other community citizens.

Public Consultation

4.35. Along with public consultation held on May 5 2011 other interaction with PAPS has been organized. On several occasion representatives of IFIs visited the officials at the affected Municipalities as well as the PAPs. On 6, April a meeting with the citizens of Vladicin Han and Vranje was held in the Municipality of Vladicin Han and the representatives of the World Bank were also present. During the Meeting, citizens whose property was envisaged to be affected due to construction of the Highway commented on the process of expropriation and the benefit that would result for them and their families through compensation. One of the present PAPs pointed out that from the compensation received, he managed to construct a new house bigger and with more conformity then the old one. Additionally he continued dealing in agriculture. Another of the present PAPs invested the compensation received in purchasing new agricultural land plots adequate for production of vegetables. Some of them improved their living conditions by renovating their houses, invested the rest of the money in some of the commercial Banks, and harvest the interest.

4.36. Another mean of interaction was as good practice established in previous processes on other sections of Corridor X, and has proven to be of utmost use both for the implementing entity as well as for the PAP. This lies in everyday communication during expropriation either by phone, or during visits, or while collecting statements during official hearings. All of these
contacts with PAPs revealed that such activities provide additional information, resolve issues on daily basis, help to overpass any dissatisfaction, lack of cooperation etc. A local mediator was appointed from the Municipality of Vladicin Han whose main responsibility was to collect complaints, questions and grievances of any kind and to summarize them and send to Koridors of Serbia to properly address the raised issues.

4.37. Koridori Srbije has delegated representatives from every municipality to provide daily assistance and guidance as well as cooperation with households under the impact of expropriation. The main task was to collect grievances and remarks from the PAPs, to facilitate in a most efficient manner the relationship PAP –Municipality and further with the team from Koridori Srbije. The following example show the best practice in such interaction: One elder women living alone had her small house expropriated along with a part of the land parcel. Her wish was not to be relocated but to have a new house built on the remaining land to continue living amongst her neighbors and friends. In cooperation with the municipality this requirement of hers will be met. It is confirmed that the alternative house will be available for housing prior to the women being obliged to vacate the house she is currently living at.

4.38. Based on local request, the construction of noise barriers in line with the EMP for specific section and will be constructed if additional impact should occur. The local community of Stubline complained on ground that the local cemetery is situated to close to the new alignment. In close coordination with the environmental experts from the Koridori Srbije Team it was suggested to have the noise and visual barriers constructed there to protect and mitigate the impact from the expected traffic. In addition, the project will also construct an access road to a local church, as large number of people expressed their strong desire for such a road improvement during the consultations.

Summary of Social Impact Assessment and Baseline Socio-economic characteristics

4.39. Socio-economic characteristics of expropriated households are similar to the other households in rural areas of this municipality. Over half of surveyed owners are more than 50 years old, and the proportion of women among the household owners is very low, which is characteristic ownership structure in Serbian traditional communities. The share of single households is relatively low (13.6%), and about one-sixth of households consists of elderly (single or two-member household) with no members under 65 years. A favorable circumstance is that a number of these households have relatives (married sons and daughters and/or grandchildren) in the neighborhood where they live or in another village nearby. The economic situation is poor, as it is in other rural parts of Serbia. The most common source of permanent incomes is pension, and in quarter of households both spouses have pensions. About 25% of respondents were unemployed or with temporary jobs in the grey economy. It is estimated that about 30% of the adult population in Serbia work in the grey economy. Probably the number is much higher when you count the different types of non-registered jobs that people with permanent job or pensioners do as an additional source of income. High unemployment rate in Serbia generates a relatively high proportion of households living at or below the poverty line. Poverty line is set at 8,800 RSD for the first household member and at 5,000 RSD for each other member. If we take the statements of the respondents as credible, then almost 60% of households live below or at the poverty line. All surveyed households (apart from one) live in residential buildings that they own. The average residential area is around 80m², which provides the member with more than 20m², which is near the Serbian average. The ownership of residential buildings significantly reduces monthly household
expenditure. According to available data from the survey, all households have agricultural land. Households usually use agricultural products for their own needs, however it is certain that part of agricultural production is sold, and on that way households earn additional income. Considering the projects that aim to improve vegetable and fruit growing and cattle breeding in the Vladicin Han municipality it can be expected that in the future will be strengthened the interest in various forms of agricultural production. Data obtained from a survey of disabled members of households and households below the poverty line will be tested in cooperation with the local Center for Social Work, since this institution have updated information about users that are based on national criteria, taking into account situations and characteristics of local communities.

4.40. Households that can be identified as vulnerable categories will be known after collected data from survey are compared to those from Center for Social Work. In this way, the information on socio-economic conditions of households and its reliability will be compared. Based on such cross-reference verification suggestions on additional allowance will be proposed. This will also be done in consultation with Center for Social Work. Taking into account high rate of poverty, priority will be given to such kind of support to benefit a larger number of the most vulnerable among the vulnerable with an aim to improve their life conditions. It is planned that consultation in the Center for Social Work be finalized by the end of April 2012. All those who are identified as vulnerable will be given additional support to enable them to supplement their earnings. People will be given an opportunity to explain by the project authorities/local municipality, if some people consider themselves as vulnerable but not provided any additional support.
CHAPTER V: IMPLEMENTATION ARRANGEMENTS

Institutional Arrangements

Roles and responsibilities of different institutions.

5.1. Institutions involved in the resettlement process are PERS, as the Beneficiary of expropriation, Koridori Srbije doo as the implementing agency, Municipality of Vladicin Han and Municipality of Vranje as administrative institutions through which the expropriation is being completed, Ministry of Finance, Ministry of Agriculture, Ministry for Spatial Planning and Environmental Protection, Land Cadastre Office, Tax Administration Office as well as the Government of the Republic of Serbia. The Beneficiary of expropriation PERS is determined to be beneficiary according to the Law on Expropriation. It submits proposals to the Municipalities.

Implementing Agency Koridori Srbije doo

5.2. The role of the Implementing Agency Koridori Srbije doo are described but not limited to list below:

- To organize all the participants to minimize the magnitude of impact from resettlement and conduct census survey, to keep data and to train resettlement personnel who use the data;
- To make application to relevant authorities for permission of land use plan and permission of land use for construction;
- To formulate various mechanism for implementation of Resettlement Action Plan;
- To train the resettlement personnel of municipalities and other organizations involved in the resettlement process;
- To train the resettlement personnel of prefecture (city) and county;
- To coordinate the project construction and implementation schedule;
- To coordinate signing of resettlement agreement with land administration departments and county (city/district) governments;
- To assist the people to redress their grievances and extend R&R assistance as available in the RAP
- To supervise the disbursement of funds.

Public Enterprise Putevi Srbije

5.3. Submits expropriation proposals. Provides budget for expropriation through the business plan

Local Municipalities

5.4. The role of the municipality of Vladicin Han and Vranje is to handle all expropriation proposals submitted by the Beneficiary of expropriation. Its authority also lies in handling the compensation process.
Ministry of Finance

5.5. The role of the Ministry is to propose to the Government for the Scheme to obtain Public interest. It is also deciding on the Appeals in second level related with expropriation and properties real rights.

Tax administration office

5.6. Its role is to determine the market value of the land being expropriated

Ministry of agriculture

5.7. Its role is to submit to the PERS information regarding available agricultural land that can be offered as compensation according to the lines of article 15. of the Law of expropriation.

Cadastre office

5.8. Registers all changes on the land affected by the expropriation.

Ministry of spatial planning, environmental protection and mining

5.9. They issue building permits.

Implementation support from Koridori Srbije doo and the Center for Social works.

Additional Support for disposed families

5.10. In addition to compensation under expropriation, the families loosing houses will receive additional support for moving expenses, transitional allowance and costs towards administrative and transfer taxes. Moving expenses are defined as costs to move households by truck, costs to move households by Manuel workers, according to the price list for similar moving in the area. Transitional allowances are defined to the maximum of 6 months minimum wages at the value given by the Republic Organization of Statistics for the month in which the payment of the allowance is being made. The transitional allowance a According to the Law on Taxes and Tax administration, PAPs are exempted from all and any such obligation to pay administrative and transfer taxes. Compensation for structures according to article 43. of Law of expropriation compensation for expropriated houses, flats or business is determined to the market value of such a structure. In line with article 42. The assessment of the market value lies with the Tax administration office. During the assessment the Tax administration obtains the necessary data from accredited court experts regarding every single structure. The assessment is determines on one hand the compensation for the structure and on the other hand all other allowances as guaranteed under this RAP such as moving allowance and transitional allowance.
Role of Monitoring & Evaluation consultants

5.11. The role of the consultant is to monitor and report on the effectiveness of RAP implementation, including the physical progress of resettlement and rehabilitation activities, the disbursement compensation, the effectiveness of public consultation and participation activities. The consultant is already in place and part of Koridori Srbije Team. The following are the key tasks to be performed by the consultant:

- providing advice on any resettlement issues and assist the Client in processing and resolution of resettlement claims;
- providing advice on correct procedures to be followed and preparation of schedule when actions should be taken relevant to the design and construction program (action plan shall comply with the relevant policies of the GoS);
- review, update and/or preparation of new resettlement plans consistent with the resettlement framework plans and assisting the Client in preparing and updating resettlement plans;
- supervision and monitoring the implementation of the resettlement plans;
- monitoring the work related to dealing with complaints and grievances;
- providing updates to the resettlement plans as required to address any recurring problems or complaints;
- coordination and reporting on grievance resolution committee activities;
- management the aspects related to communication and disclosure of resettlement aspects under the Project; and,
- Prepare monthly progress reports.

The RAP will provide a coherent monitoring plan that identifies the organizational responsibilities, the methodology, and the schedule for monitoring and reporting. The three components of a monitoring plan should be performance monitoring, impact monitoring, and completion audit.

Monitoring Arrangements

5.12. Concurrent monitoring will be undertaken to monitor the implementation progress of RAP. Progress is usually reported against a milestones established in the RAP. Progress is usually reported against a scheduled of required actions (typically displayed through such devices as bar charts, Gantt charts, or MS Project Tables). Examples of performance milestones will include:

- Public meetings held;
- Grievance redress procedures in place and functioning;
- Compensation and R&R assistance payments disbursed;
- Income restoration and development activities initiated;
- Number of people provide skill upgrading training
- Number of project affected and local people provided jobs/contracts with civil work contracts
- Monitoring and evaluation reports submitted.

Impact monitoring

5.13. Impact monitoring gauges the effectiveness of the RAP and its implementation in meeting the needs of the affected population. Depending on the scale of resettlement, impact monitoring is conducted by the project’s management (such as an internal Project
Resettlement Unit) or an independent external agency. The purpose of impact monitoring is to provide the sponsor and/or the agency responsible for RAP implementation with an assessment of the effects of resettlement, to verify internal performance monitoring, and to identify adjustments in the implementation of the RAP as required.

**Completion Audit**

5.14. The key objective of this external evaluation, or completion audit, is to determine whether the compensation and assistance received by the PAPs has helped them to restore the living standards and to estimate have they been properly conceived and executed. The audit should verify that all physical inputs committed in the RAP have been delivered and all services provided. In addition, the audit should evaluate whether the mitigation actions prescribed in the RAP have had the desired effect. The socioeconomic status of the affected population, including the host population, should be measured against the baseline conditions of the population before displacement, as established through the census and socioeconomic studies. This impact assessment will be carried out after one year of people receiving the compensation and assistance.

**Grievance Redress Committee, composition, functions, steps for grievance redresses and depositions**

5.15. According to The Resettlement policy Framework Beneficiary of expropriation has established an independent Grievance Commission, from representatives of the PERS, Implementing Agency Koridori Srbije doo, Municipality and representatives of PAPs. The Grievance commission (GC) was established by the General Director’s of PERS act. The main responsibility of the Grievance Commission is to transparently and practically collect and deal with all complaints or grievances fairly and effectively. The GC assembles 7 members. Three of them are elected from and amongst the PAP, one is delegated by the Implementing entity Koridori Srbije doo, two are delegated from the beneficiary of expropriation PERS and one member is from the Local Municipality. The method of registering a grievance is illustrated here:

- The grievance can be registered orally or in writing with the Local Municipality regardless to the stage of the expropriation. If it is an oral grievance, the grievance commission must record the complaint in writing and must respond to the grievance within 3 weeks. If the complaint is not understandable or has to be clarified in any way, the Grievance commission can advise and give legal assistance to the PAP in order to articulate the grievance in the best interest of the PAP.
- The grievance can be registered through the minutes by the Local Municipality whilst discussing the proposed compensation.
- The grievance can be registered by mail sent directly to either PERS or Koridori Srbije doo.

The grievances that are registered may be basically categorized into the following types:

- Grievances related to the entitlement framework and implementation, such as discrepancies related to structures and ownership, categorization of the structure and area occupied, claims related to ownership and occupancy status to the value of crops;
- Grievances related to the value of land and other immovable properties, such as the assessment of fair value determined by the Tax administration office weather the PAP is not satisfied with the value or with the parameter used; and
• Grievance related to the value of crops, fruit bearing plants, vineyards, orchards and nurseries.

**Procedure of Grievance mechanism**

5.16. The typical procedures includes: appeal, receipt and verification, resolution though grievance redress committee meetings, intimation to the applicant on the outcome of the decision, public information and documentation.

**Principles to treat Complaints**

5.17. The Grievance Commission at all level conducts a field survey on the PAP complaint and treats the complaints fairly and objectively according to national laws & regulation, principles and guidelines given through the RPF and the outcome will be sent to the compliant.

**Record of complaint and appeal and Follow up Feedback**

5.18. During the implementation of RAP, Grievance Commission will record and manage the complaints and the results of treating the complaints. In order for complete records of treating the complaint there will be an electronic monitoring system through the archive system of the PERS and a table recording system.
**Income restoration Measures**

5.19. The basic objective of income restoration activities is that no project-affected person shall be worse off than before the project. Restoration of pre-project levels of income is an important part of rehabilitating individuals, households, and socio-economic and cultural systems in affected communities. Income restoration schemes will be designed so as to benefit the PAPs. The income restoration will be consistent with the World Banks Operational Policy on Involuntary Resettlement OP/BP 4.10. Some of the measures for income restoration are provided in para 4.32 and 4.33. The skill upgradation planned for those interested will facilitate the affected people to access for better earning opportunities. In case of those who lose more than 20% as necessary and appropriate suitable income improvement measures will be proposed in consultation with them as needed. 20.

**Dealing with Temporary Impacts/additional impacts during construction**

5.20. Additional impacts will be dealt with in the same manner as described in this RAP. The impacts will be followed by the Supervision consultant who will report these impacts to Koridori Srbije. The assistance will be in the manner consistent with the provisions of this RAP and consistent with the good practice achieved during related expropriation on Corridor X. This specific task was included in the ToR for the consultant. The Supervising team is already in place.

**Data base management**

5.21. A census Database will be created by the consultants. This database will be transferred to the implementing unit for upgradation and further use. The main purpose of the data base and use will be to (i) track progress of R&R implementation (ii) for determining the entitlements to be paid; (iii) track pending entitlements and amounts; (iv) organizing outputs for periodical reports and other project requirements; and (v) establishing input formats. The Database consultants will be responsible for (i) identifying the input/ output formats to the project requirements; (ii) Training of field level staffs; (iii) aid the PERS in finalizing the entitlements of each PAPs; (vi) provide for decision making at the implementing agency; (vii) Monitor and regulate the land acquisition, distribution of compensation and assistance, grievance redress and financial progress.

**Assistance to vulnerable Families**

5.22. Data collected by the survey on disabled members of households and households below the poverty line will be checked in cooperation with municipality Center for Social Work. This institution has updated information and uses national criteria for identifying eligible beneficiaries, and they are corrected in accordance to overall conditions within local community. Households that can be identified as vulnerable categories will be known after collected data from survey are compared to those from Center for Social Work. In this way, the information on socio-economic conditions of households and its reliability will be compared. Based on such cross-reference verification suggestions on additional allowance will be proposed. This will also be done in consultation with Center for Social Work.. It is planned that consultation in the Center for Social Work be finalized by the end of April 2012..As already shown to be a case of best practice on other sections along the Corridor X
Highway Alignment the identified vulnerable people will receive heating material harvested out of the trees cut down during the Construction Works. In addition, as a case of best practice as well, the Contractor will be encouraged to advertise the vacancies and job opportunities in respect of the necessary skill required within the local area with the engagement of the local Municipality and local Media. Thus local labor with necessary skills will be engaged with the contractors. The rate of employment will be a part of the Quarterly Progress Reports prepared by the KS.

Disclosure

5.23. This RAP in compliance with RPF will be publicly disclosed at the official website of Koridori Srbije doo, website of PERS, at the website of Municipality Vladicin Han and Vranje as well as the web site of the World Bank. In order to make the RAP implementation process transparent, a series of meetings will be held with all stakeholders for dissemination of information regarding rehabilitation process and entitlement framework. The salient features of RAP will be translated in Serbian and disclosed.

Coordination with Civil works and certification

5.24. The resettlement program will be co-coordinated with the timing of civil works. The required coordination has contractual implications, and will be considered in procurement and bidding schedules, award of contracts, and release of cleared COI sections to project contractors. The project will provide adequate notification, counseling and assistance to affected people so that they are able to move or give up their assets without undue hardship before commencement of civil works. Under the provisions of the RPF June 2009. The commencement of works will be allowed after the compensation has been paid in full or their grievance has been registered. The Municipality of Vladicin Han and Vranje will certify that all compensation has been paid.

Budget and costs

5.25. Basic Cost of resettlement includes land compensation cost, compensation for standing crops, R&R assistance for all affected categories of PAPs, indirect loss of households move, compensation for house relocation, compensation for immovable objects attached to the land and other taxes. All the funds made available through PERS are estimated and designated through the Law of the Budget for 2011 and Business Plan of Koridori Srbije, by which the necessary amount of needed funds are transferred to the PERS. The Government made those funds operable by passing the Law through the Parliament. The law of the Budget has been passed through the Parliament and disclosed at the Official herald of Republic of Serbia. At this stage details for the breakdown of Budget are not available but through the Business plan of Koridori Srbije doo. there are designated and allocated funds exclusively for expropriation /land acquisition on the E 75 Vladicin Han – Donji Neradovac in the amount of 600.000.000 RSD and covers compensation for all entitlements.

Implementation schedule.

5.26. The following is the time schedule for implementing of the key actions related to payment of compensation and assistance.

<table>
<thead>
<tr>
<th>Tasks</th>
<th>Target Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
1. Preparation of drafted RAP | Since June 2011.
2. RAP Approval | April 012.
5. Payment of compensation | May 2011.
6. Payment of R&R assistance (including assistance to vulnerable people) | July 2012.
9. List of PAP losing more than 20% of Land | April 2012.
10. Award of work for construction of access road to church | July 2012.
11. Finalization of list of vulnerable people | April 2012.
12. Constitution and notification of Grievance redress Committee | March 2012.
13. Completion of construction of alternative house to one of displaced family | October 2012.

Monitoring and Evaluation

5.27 Internal Monitoring. The internal monitoring is a conventional monitoring of government related to physical factors such as number of families affected, resettled, assistance extended, etc. and other financial aspects, such as compensation paid, grant extended, etc. The internal M&E must be simultaneous with the implementation of the Resettlement Action Plan (RAP).

5.28 The objectives of the internal monitoring are: (i) Daily Operations Planning; (ii) Management and Implementation and (iii) Operational Trouble shooting and Feedback. The periodicity of internal monitoring could be daily or weekly depending on the issues and level.

External monitoring.

5.29 An external monitoring and Concurrent evaluation is facilitated through the Contract for Consultants Services between Koridori Srbije and JV: Ove ARUP & Partners International Limited/UK (Leader); ARUP doo. (JV member); and Institute Kirilo Savic a.d/Serbia (JV members).
ANNEX I Tables from households survey

Table 1: Age profile of respondents

<table>
<thead>
<tr>
<th>Age Profile</th>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>to 60 years</td>
<td>31</td>
<td>47.0</td>
</tr>
<tr>
<td>61-70</td>
<td>19</td>
<td>28.8</td>
</tr>
<tr>
<td>above 70</td>
<td>15</td>
<td>22.7</td>
</tr>
<tr>
<td>unknown</td>
<td>1</td>
<td>1.5</td>
</tr>
<tr>
<td>total</td>
<td>66</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Table 2: Respondents by gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>man</td>
<td>54</td>
<td>81.8</td>
</tr>
<tr>
<td>female</td>
<td>12</td>
<td>18.2</td>
</tr>
<tr>
<td>total</td>
<td>66</td>
<td>100.0</td>
</tr>
</tbody>
</table>
Table 3: Household size

<table>
<thead>
<tr>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-person household</td>
<td>9</td>
</tr>
<tr>
<td>2-person household</td>
<td>14</td>
</tr>
<tr>
<td>3-person household</td>
<td>9</td>
</tr>
<tr>
<td>4-person household</td>
<td>16</td>
</tr>
<tr>
<td>5-person household</td>
<td>10</td>
</tr>
<tr>
<td>6-person household</td>
<td>6</td>
</tr>
<tr>
<td>8-person household</td>
<td>2</td>
</tr>
<tr>
<td>Total persons in households</td>
<td>233</td>
</tr>
</tbody>
</table>

Table 4: Household structure

<table>
<thead>
<tr>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Living alone</td>
<td>9</td>
</tr>
<tr>
<td>Married couples without children</td>
<td>10</td>
</tr>
<tr>
<td>Married couples with children</td>
<td>27</td>
</tr>
<tr>
<td>One parent with children</td>
<td>6</td>
</tr>
<tr>
<td>Multigenerational</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>66</td>
</tr>
<tr>
<td>Number of households with school children</td>
<td>22</td>
</tr>
</tbody>
</table>

Table 5: Elderly households

<table>
<thead>
<tr>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elderly households</td>
<td>15</td>
</tr>
<tr>
<td>-single member</td>
<td>8</td>
</tr>
<tr>
<td>-two members</td>
<td>7</td>
</tr>
</tbody>
</table>

Table 6: Employment status of respondents

<table>
<thead>
<tr>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensioner</td>
<td>30</td>
</tr>
<tr>
<td>Permanent or temporary employed</td>
<td>21</td>
</tr>
<tr>
<td>Unemployed</td>
<td>14</td>
</tr>
<tr>
<td>Unknown</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>66</td>
</tr>
</tbody>
</table>
### Table 7: Employment status of spouse

<table>
<thead>
<tr>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensioner</td>
<td>13</td>
</tr>
<tr>
<td>Outside employment (housewives, unemployed)</td>
<td>26</td>
</tr>
<tr>
<td>Full time</td>
<td>9</td>
</tr>
<tr>
<td>Agriculture</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>50</td>
</tr>
</tbody>
</table>

### Table 8: Permanent residence

<table>
<thead>
<tr>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dekutince</td>
<td>21</td>
</tr>
<tr>
<td>Goranje</td>
<td>1</td>
</tr>
<tr>
<td>Kalimance</td>
<td>1</td>
</tr>
<tr>
<td>Mazarac</td>
<td>8</td>
</tr>
<tr>
<td>Polom</td>
<td>8</td>
</tr>
<tr>
<td>Vladicin Han</td>
<td>5</td>
</tr>
<tr>
<td>Vrane</td>
<td>1</td>
</tr>
<tr>
<td>Kumarevo</td>
<td>2</td>
</tr>
<tr>
<td>Runutovac</td>
<td>19</td>
</tr>
<tr>
<td>Total</td>
<td>66</td>
</tr>
</tbody>
</table>

### Table 9: Ownership status

<table>
<thead>
<tr>
<th>No.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate of owner-occupied</td>
<td>65</td>
</tr>
<tr>
<td>Tenancy status</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>66</td>
</tr>
</tbody>
</table>

### Table 10: Total household income and income per member

<table>
<thead>
<tr>
<th>Income RSD</th>
<th>Number of households and % of households</th>
<th>Number of members and % of the total number of household members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without income</td>
<td>8 12,1</td>
<td>30 12,9</td>
</tr>
<tr>
<td>Up to 4000 RSD</td>
<td>6 9,1</td>
<td>70 30,0</td>
</tr>
<tr>
<td>4100 – 8800 RSD</td>
<td>9 13,6</td>
<td>66 28,3</td>
</tr>
<tr>
<td>8900 – 10000 RSD</td>
<td>6 9,1</td>
<td>21 9,0</td>
</tr>
<tr>
<td>10100 – 20000 RSD</td>
<td>17 25,8</td>
<td>35 15,2</td>
</tr>
<tr>
<td>Over 20000 RSD</td>
<td>20 30,3</td>
<td>11 4,6</td>
</tr>
<tr>
<td>Total</td>
<td>66 100,0</td>
<td>233 100,0</td>
</tr>
</tbody>
</table>
## Table 11 Income in accordance to household members

<table>
<thead>
<tr>
<th>Household size</th>
<th>Estimated income as the poverty line</th>
<th>Below poverty line</th>
<th>Above poverty line</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 member</td>
<td>8 800 RSD</td>
<td>4,5%</td>
<td>9,1%</td>
</tr>
<tr>
<td>2 members</td>
<td>13 800 RSD</td>
<td>9,1%</td>
<td>12,2%</td>
</tr>
<tr>
<td>3 members</td>
<td>18 800 RSD</td>
<td>9,1%</td>
<td>4,5%</td>
</tr>
<tr>
<td>4 members</td>
<td>23 800 RSD</td>
<td>16,7%</td>
<td>7,6%</td>
</tr>
<tr>
<td>5 members</td>
<td>28 800 RSD</td>
<td>9,1%</td>
<td>6,0%</td>
</tr>
<tr>
<td>6 members</td>
<td>35,800 RSD</td>
<td>7,6%</td>
<td>1,5%</td>
</tr>
<tr>
<td>8 members</td>
<td>43 800 RSD</td>
<td>1,5%</td>
<td>1,5%</td>
</tr>
<tr>
<td>total</td>
<td></td>
<td>57,6%</td>
<td>42,4%</td>
</tr>
</tbody>
</table>
ANNEX II Data from survey of households with expropriation of structures

1. N. N. from Polom village. The household is faced with expropriation of a residential building used for living with surface of 250m²; the construction began in 1993 and was finished in 2008. The building is made of solid material and equipped with all installations connected to water supply and septic tank. Business facilities (bakery and a shop) that cover 135m² are also subject of expropriation. Monthly turnover in the bakery is 150000 RSD. Beside the householder (61 years old), the family consists of four member: wife (55 years) and three grown children (son 27 years, and two daughters 34 and 31 years of age), all of them hold higher education degree. All household members are employed, their monthly income is 45000 RSD, and they achieve addition earnings from agriculture about 50000 RSD per month. The total area of agricultural land is 15 hectares (15000 acres) and 200m² from this land is the subject of expropriation. The household does not employ a labor force to work on the expropriated land. They will continue with agricultural activities. Respondent assessed the household socio-economic status as poor. They will spend the proceeds from the expropriation on the purchase or construction of new housing and business space. During the last two years, the household hasn’t purchased any valuable commodities worth more than 300€. The household has no credit charge.

2. X. X. from Polom village. A residential building of 80m², is the subject of expropriation, it was built in the 1987 from solid materials, with the necessary wiring, connection to water supply and regulated septic tank. The respondent is aged 65; he lives with his wife (50 years). His pension is 10000 RSD per month, and the annual income from agriculture is about 800 Euros. Expropriated land is agricultural. Total surface of land area is 12 acres, and there is no information on how much land will be expropriated. He does not have employed workers and will stop agricultural activities after the expropriation. The family will spend the proceeds from the expropriation for everyday life. The respondent gave no assessment of his socio-economic status. The household has no credit charge.

3. Y. Y. from Polom village. The residential building that covers 235m² is the subject of expropriation. The building was made between 1990 and 1999 of solid materials, with the necessary wiring with its own water and septic tank. The household possess a shop of 16m², with a monthly income of 20000 RSD. The household has three members. The respondent (63 years), was a mechanical engineer, and has a pension of 35000 RSD. His wife lives with him (55 years) and she is unemployed, a daughter of 32 year is also unemployed. The household is engaged in agriculture predominantly for their own needs and they have yearly income around 10000 RSD. From the total area of 318m², 278m² will be expropriated. They do not plan to work in agriculture in the future. The household is required to repay a loan at a rate of 4000 RSD per month. Their socio-economic status is assessed as poor. They plan to invest the proceeds from expropriation in buying new land and building a house, also they plan to start a new business and invest in education. In the last two years the household purchased a wood stove costing 380 Euros.

4. M.M. from Polom village. A residential building (180m²) is the subject of expropriation and it was built in 1982. The building is of solid materials, with regulated water supply and septic tank. Household consists of five-members and three generations. In addition to a householder (45 years), who is an entrepreneur and has a steady job, his wife lives in the
household (40 years), also employed, and two children (12 and 6 years), as well as his mother, (63 years old) who is retired and suffers from heart disease. The monthly family income is about 50000 RSD, and the family achieves about 50000 RSD per year from agricultural production. The household has no plans to be engaged in agriculture in the future. The household has no credit charge

5. S.S. from Polom village. The expropriated residential building is 105m², built in the 1989 from solid materials with water and septic tank. Householder (56 years) is a disabled pensioner with pension income 9600 RSD. He lives with his wife (50 years). In addition to the residential building, the garden (1136m² surface area) is subject to expropriation. The household is engaged in agriculture and achieves between 500 and 800 Euros per year, this income is considered essential for survival. Their socio-economic status is assessed as poor, and the family plan to spend the proceeds from the expropriation for everyday life. During the last two years, they did not buy valuable household items. The household has no credit charge

6. K.K. from Polom village. The residential building of 240m² is the subject of expropriation; it was built in the 1970 of solid materials, with the installation and connection to a water supply and regulated septic tank. It is a one-person household; the householder’s age is 33 and is without a permanent job. Monthly he earns about 20000 RSD from odd jobs. The subject of expropriation is also the plot of 500m²; the respondent is engaged in agriculture, for his own purposes. The household has no credit charge
ANNEX III Information and training for local government activities on the development of Socio-Economic Studies

The meeting with the local government representatives was held in Vladicin Han on May 5, 2010. The subject of the meeting was to introduce the representatives of local government with activities related to Socio-economic study for Corridor X Highway. Regarding the enormous poverty and general vulnerability of the entire population in Serbia, a theme of discussion was the engagement of local government in these matters. The meeting was attended by representatives of Koridori Srbije and the Mayor with associates who are directly responsible for implementing the project Corridor X section through Municipality of Vladicin Han).

The Corridor Team member presented aims and objectives of Socio-economic study. Social Impact Assessment is compulsory for projects funded by the World Bank and other international organizations. The Republic of Serbia, after signing Framework for Resettlement Action Plan, is obliged to finish the study during preparatory phase and also deal with expropriation of real estate following the principles of World Bank. Socio-economic study should be done in accordance with the methodology of the World Bank. The World Bank appointed a supervisor who will monitor development of Social Impact Study and assess its acceptability;

Social Impact Assessment has two main objectives: To determine basic socio-economic characteristics of households and to assess the impact and consequences that expropriation of property can have on quality of life, and to identify vulnerable groups that can have more difficulties as a result of property expropriation and therefore can be qualified for additional support. International organizations involved in financing the project Corridor 10 require that building the highway should not impair the living conditions of citizens. Further, improving living conditions in communities is one of the social development objectives. Therefore, setting living standards in the phase before construction and the improvement of living conditions and quality of life is leading idea around this study.

The data collected from surveys should enable the formation of empirical basis of socio-economic characteristics of households. In addition, another aim should be accession of goals set out in the resettlement project upgrading and improving the conditions and standard of living. Of particular importance are the evaluation incomes and living standards after expropriation. Content of Socio-economic study refers to types and extent of expropriation - three types of real estate that can be expropriated: (1) Agricultural and other land, (2) Residences and enterprises (3) Social infrastructure in the settlements

Social Impact Assessment should be carried out in two steps: (1) Firstly conducting surveys, analyzing and processing data and writing reports / studies (2) Secondly the new survey should be carried out after an year to determine whether the project affected households has made the improvement in living conditions and whether the activities associated with the construction of Corridor 10 section had positive effects in this community.

The questionnaire is the main method used. The data received during the survey will be used only for the Study and cannot be used for any other purposes. Survey includes collecting basic information: (1) The data needed to identify household characteristics, (2) Data on impact type (agricultural land loss, loss of housing, loss of business - office space, loss of other
land), (3) Data on household income (important for assessing the economic situation of households) (4) Data on demographic and socio-professional characteristics of households (e.g. members health) and (5) Other information about the economic situation of households

Interviewers were given instructions for filling out questionnaires and given additional explanations for some questions. It was emphasized how important is careful and accurate input of received answers. It was agreed that training for interviewers should be held as well as mechanisms for verifying the accuracy of data. Reliability of data is of particular importance, since the data collected will provide the base to determine vulnerable households that will be eligible for additional assistance. During the meeting, the other details about the survey as well as method of selection of interviewers and particulars about their training were discussed.
ANNEX IV Some compensation rates and market prices of land in different municipalities and regions in Serbia

<table>
<thead>
<tr>
<th>Location/Region</th>
<th>Market transaction or expropriation</th>
<th>Price per 1 m² in EUR</th>
<th>Price per 1 hectare in EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subotica city on the north of Serbia (Vojvodina). One of the most developed area in Serbia</td>
<td>Expropriation for the Corridor 10 Highway</td>
<td>0,76</td>
<td>7.600</td>
</tr>
<tr>
<td>Agriculture land near Fruska Gora mountain (Vojvodina)</td>
<td>Market transaction</td>
<td>0,6</td>
<td>6.000</td>
</tr>
<tr>
<td>Building land in periphery of City of Nis</td>
<td>Market transaction</td>
<td></td>
<td>200 000</td>
</tr>
<tr>
<td>Dimitrovgrad Bypass</td>
<td>Expropriation for the Corridor 10 Highway</td>
<td>3,8 to 4,6</td>
<td>38.000 to 46.000</td>
</tr>
<tr>
<td>Dimitrovgrad Bypass</td>
<td>Market transaction – land for building site</td>
<td>Less than 2</td>
<td>Less than 20.000</td>
</tr>
<tr>
<td>Crvena Reka – Prosek</td>
<td>Expropriation for the Corridor 10 Highway</td>
<td>4 to 6</td>
<td>40.000 – 60.000</td>
</tr>
<tr>
<td>Vladicin Han – Donji Neradovac</td>
<td>Expropriation for the Corridor 10 Highway</td>
<td>5 to 7</td>
<td>50.000 to 70.000</td>
</tr>
<tr>
<td>Lajkovac-Ljig</td>
<td>Expropriation for the E-763 Highway</td>
<td>1,2</td>
<td>12.000</td>
</tr>
<tr>
<td>Agriculture land near Takovo (Central Serbia)</td>
<td>Market transaction</td>
<td>0,2 to 0,4</td>
<td>2.000 to 4.000</td>
</tr>
<tr>
<td>Agriculture land in Banat (first class)</td>
<td>Market transaction</td>
<td>0,5 to 0,6</td>
<td>5.000 to 6.000</td>
</tr>
<tr>
<td>Municipality of Lucani (West Serbia)</td>
<td>Expropriation for the E-763 Highway</td>
<td>0,8 to 1,1</td>
<td>8.000 to 11.000</td>
</tr>
<tr>
<td>Agriculture land in Eastern Serbia (meadows and pastures)</td>
<td>Market transaction</td>
<td>0,05 to 0,1</td>
<td>500 to 1.000</td>
</tr>
<tr>
<td>Agriculture land in Grocka (wider Belgrade area)</td>
<td>Market transaction price</td>
<td>2 to 4</td>
<td>20.000 to 40.000</td>
</tr>
</tbody>
</table>
### ANNEX V Entitlement Matrix

<table>
<thead>
<tr>
<th>Affected Categories</th>
<th>Entitlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss of entire land holding</td>
<td>(i) offer of replacement agricultural land of equivalent productive value in the area and vicinity of the land being expropriated, together with all transfer/administrative taxes; or (ii) monetary compensation based on the assessed fair value.</td>
</tr>
<tr>
<td>Partial loss of land</td>
<td>(i) offer of replacement agricultural land of equivalent productive value in the area and vicinity of the land being expropriated, together with all transfer/administrative taxes; or (ii) monetary compensation based on the assessed fair value.</td>
</tr>
<tr>
<td>Unviable, redundant parcels of land/structures</td>
<td>If a remaining parcel of land after expropriation is not economically viable, it will be acquired and compensated if the project affected person so desires.</td>
</tr>
<tr>
<td>Structures and installations on the land (barns, shacks, fences, etc.)</td>
<td>The replacement cost for any investment made, and the value of time invested in construction.</td>
</tr>
<tr>
<td>Crops</td>
<td>The value of the crop, including the value of time needed to reproduce such a crop, and the replacement cost for any investment made (input, labor etc.).</td>
</tr>
<tr>
<td>Fruit bearing plants, vineyards, and orchards</td>
<td>The value of the harvest, including the value of time needed to reproduce such a harvest, the replacement cost for any investment made, (input, labor etc.) to raise new plants, vineyard or orchard until they reach full yielding potential.</td>
</tr>
<tr>
<td>Young vineyards or orchards not yet fruit-bearing</td>
<td>The replacement cost for any investment made for raising a replacement vineyard or orchards, including the value of time needed to reproduce replacement vineyard or orchards, and compensation for lost yields for each year from the year of expropriation.</td>
</tr>
<tr>
<td>Nursery</td>
<td>The replacement cost for any investment made on planting material (nursery plants and other reproduction material) not utilized.</td>
</tr>
<tr>
<td>Land needed on temporary basis</td>
<td>The market rental price for the duration of the lease. The land should be returned to the project affected person, in the same condition as it was taken.</td>
</tr>
<tr>
<td>House</td>
<td>Full compensation based on the replacement cost in a similar/comparable area plus moving, transfer/administrative taxes, and transition allowance.</td>
</tr>
<tr>
<td>Lessees of Public or State owned properties</td>
<td>Provision of the use of other corresponding Public or State owned equivalent property with the rights of a lessee for an equivalent period of time.</td>
</tr>
<tr>
<td>Legal renters, employees, or workers on the land or in a business</td>
<td>Compensated for lost income earned from the land, as determined in the social assessment, and the replacement cost for any investment made on the land.</td>
</tr>
<tr>
<td>Illegal users of public and private land</td>
<td>Compensated for the replacement cost of any investment made on the land.</td>
</tr>
<tr>
<td>Persons with non-agricultural business</td>
<td>Full relocation cost of businesses affected, including the inventory, and the replacement cost for any investment.</td>
</tr>
<tr>
<td>Vulnerable groups (affected households with many dependents, household with unemployed head, households with disabled, poor households)</td>
<td>For this group, they will be given additional financial assistance to ensure that they will be no worse off after the project and can maintain and restore their livelihoods.</td>
</tr>
</tbody>
</table>
ANNEX VI: List of Displaced Families
(List the families to be displaced)

ANNEX VII - Inventory of Project affected Persons
The inventory of names of the owners of the expropriated premises and land is kept in the database of the project.