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Bosnia and Herzegovina Corridor Vc Project

Land Acquisition Report
Section Poprikuse-Nemila

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Abbreviations

BiH	Bosnia and Herzegovina
EBRD	European Bank for Reconstruction and Development
ESAP	Environmental and Social Action Plan
FBiH	Federation of Bosnia and Herzegovina
JPAC	Motorways of the Federation of Bosnia and Herzegovina
LAR	Land Acquisition Report
PAP	Project Affected People
PR	Performance Requirement
SEP	Stakeholder Engagement Plan

1 INTRODUCTION

1.1 Description and the Context of the Project

The Motorways of the Federation of Bosnia and Herzegovina (“JPAC”), a limited liability company wholly owned by the Federation of Bosnia and Herzegovina (FBiH), is working on the development of the motorway which is a part of the Trans-European Corridor Vc connecting Budapest (Hungary) and Port of Ploce (Croatia). The total length of the Corridor Vc in FBiH is approx. 321 km, of which approx. 100 km has already been constructed and is operational.

Corridor Vc is considered as a priority project for Bosnia and Herzegovina (BiH), likely to entail major positive economic impacts for the country as a whole. The driving force behind the construction of Corridor Vc is to improve connectivity of BiH with its neighbouring countries and to enhance its potential for economic development. It has strong support from the government and is expected to enable BiH to integrate better with the European economic and social structure. The Corridor alignment is divided into four lots, as shown in the map below.

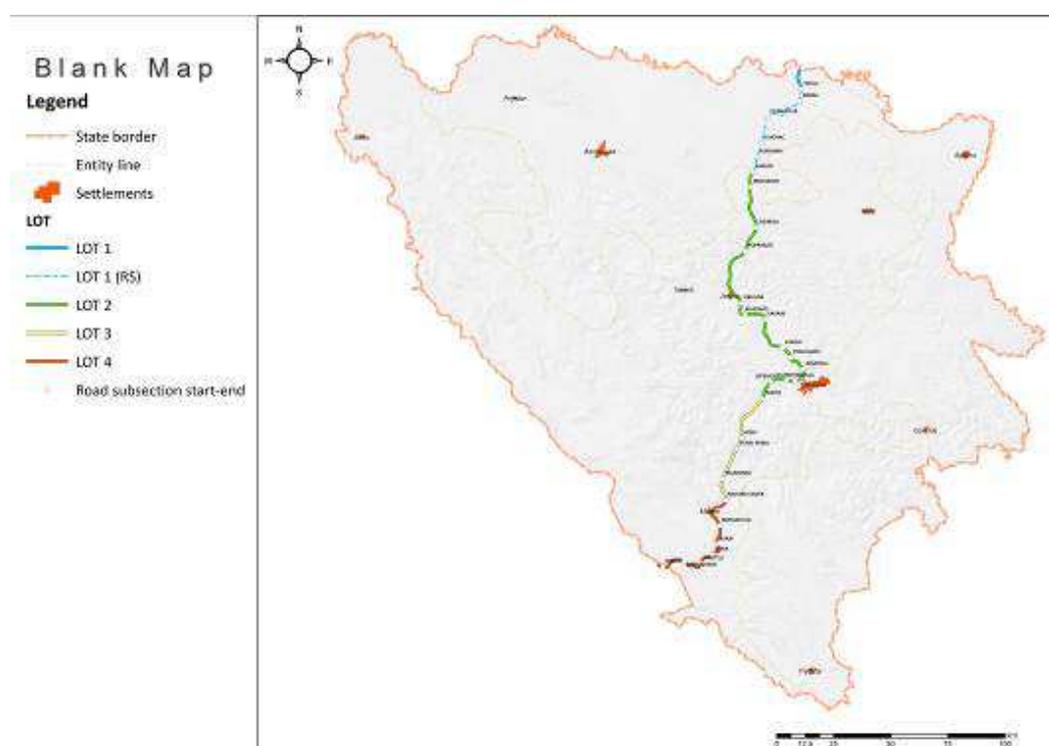


Figure 1: LOTS of Corridor Vc in Bosnia and Herzegovina

The European Bank for Reconstruction and Development (the “EBRD” or the “Bank”) provided finance to the following sections in 2017:

- **5.1 km section Poprikuse-Nemila**, which includes the 3.5 km long tunnel Golubinja (LOT 2),
- **2.0 km Tunnel Ivan** (LOT 3), and
- **9.1 km¹ section from Mostar South Interchange to Tunnel Kvanj** (LOT 4).

¹ Even though the ToR states that the section is 8.7 km long, during a meeting held with the representatives of JPAC (Department of Property and Legal Affairs in Mostar), it was confirmed that the official length of this section is 9.1 km.

These three sections are shown on the map below.



Figure 2: Corridor Vc in BiH and locations of the three project sections

The Project involves land acquisition and resettlement, and the exact scope is known for all three sections as the expropriation studies in line with local legislation have been prepared by JPAC.

This Land Acquisition Report (LAR) is developed for the section Poprikuse-Nemila.

1.2 Purpose of this Land Acquisition Report (LAR)

This LAR was prepared in the period October-November 2019 with the purpose of documenting the results of an assessment of the land acquisition process implemented by JPAC for the section Poprikuse-Nemila and obtaining an overall understanding of the process of land acquisition conducted to date.

For the section Poprikuse-Nemila, the Land Acquisition and Livelihood Restoration Plan (LALRP) was not prepared before starting the expropriation, which resulted in carrying out this LAR after almost all land acquisition has been completed. The reason for this was that until January 2020, JPAC did not have an established Division for Study Documentation, Social and Environmental Policy (within the JPAC Department for Documentation). The then existing Division for Study Documentation did not have sufficient capacities to ensure proper addressing of E&S issues during the pre-construction and construction phases. The newly formed Division is tasked with taking actions to ensure the timely development of land acquisition plans in the future.

It is provided for the purpose of demonstrating compliance with following requirements:

- local legislation governing the process of land acquisition,
- EBRD's 2014 Environment and Social Policy, specifically Performance Requirement ("PR") 5 covering Land Acquisition, Involuntary Resettlement and Economic Displacement, and
- EIB Environmental and Social Standards (ESS) (2018), specifically ESS 6 (Involuntary Resettlement) and ESS 7 (Rights and Interests of Vulnerable Groups).

This LAR also identifies gaps with EBRD PR5 and EIB ESSs 6 and 7, and recommends corrective actions to address such gaps.

2 METHODOLOGY AND APPROACH

Overview

The tasks conducted during the development of this LAR included:

1. **Review of available documentation** provided by JPAC;
2. **Analysis of the legal framework** governing land acquisition in FBiH;
3. **Discussions with officials of JPAC**, including the representatives of the Department of Property and Legal Affairs;
4. **A site visit** to the affected land plots on November 22, 2019;
5. **Meeting with representatives of the City of Zenica and Municipality of Zepce** on November 22, 2019;
6. **Preparation of a census database** with data on all affected land plots and analysis of collected data and information;
7. **A survey of PAP in order to obtain information on their level of satisfaction with the process** (in particular, the adequacy of compensation offered/provided).

Review of documentation

The following documents related to land acquisition and made available by JPAC, City of Zenica and Municipality of Zepce were analysed:

Table 1: Project documents collected and reviewed

No.	Document	Author	Date
1	ESAP for Corridor Vc 3	JPAC	July 2017
2	SEP for Corridor Vc 3	JPAC	July 2017
3	Decision on public interest for Poprikuse-Nemila	FBiH Government	June 2018
4	Public announcement to invite owners for negotiated settlements in daily newspapers (Poprikuse-Nemila)	JPAC	June 2018
5	List of owners and land plots in m ² with land plot numbers for Poprikuse-Nemila	JPAC	November 2019
6	Expropriation Report of JPAC's Legal Department for Poprikuse-Nemila	JPAC	October 2019
7	JPAC Internal Expropriation Procedure	JPAC	September 2016
8	Expropriation study for Poprikuse-Nemila on the territory of the City of Zenica	IPSA Institute	November 2017
9	Expropriation study for Poprikuse-Nemila on the territory of the Municipality of Zepce	IPSA Institute	November 2017
10	Proposal for expropriation for land plots Poprikuse-Nemila	JPAC	June 2012
11	Examples of property valuation (by official court experts)	Official court construction experts	Various
12	Examples of decision for expropriation	City of Zenica	Various
13	Examples of compensation agreements	City of Zenica and Municipality of Zepce	Various
14	Guidelines for Expropriation Beneficiaries for Taking Possession of Property Prior to Effectiveness of Decisions on Expropriation or Payment of Compensation	Federal Administration for Geodetic and Property Affairs	May 2016
	Report on the methodology for setting market prices for land, fruit crops, etc. on the territory of the Cadastre Municipality Golubinja, Zeljezno Polje and Bistrica in the Municipality of Zepce	Official court expert for agriculture	March 2020

Meetings

Key informant interviews were conducted to obtain data on the land acquisition process for the section Poprikuse-Nemila. Interviews were held with:

- representatives of JPAC (including the representatives of the Department of Property and Legal Affairs tasked with carrying out tasks related to expropriation on behalf of JPAC),
- representatives of the City of Zenica, and
- representatives of the Municipality of Zepce.

An Interview Log kept for documenting meetings held during the preparation of this LAR (including date, time and name of interviewees) is provided in [Annex A](#) of this LAR.

Census development

Data for all affected land plots (**128 in total**) were first collected and analysed based on information provided by JPAC (including property valuations), after which site visits were organised to visit the project areas.

A census database was then developed to identify all categories of impacts, the Project Affected People (PAP) directly affected by land acquisition (owner/users of affected land plots) and the expected loss of assets.

The Census database contains data on the following:

- (i) location and Cadastral Municipality,
- (ii) land plot number,
- (iii) type of impact,
- (iv) name of PAP,
- (v) total area of land plot (m²) and % of plot affected by land acquisition,
- (vi) structures (residential/commercial),
- (vii) type of land plot,
- (viii) other assets on land (natural objects or auxiliary structures),
- (ix) information on economic/physical displacement.

The summarised version of the Census database is provided in [Annex D](#) of this LAR (full data is available in the form of a separate Excel document).

Socio-economic survey

The consultant established contacts with some PAP in order to obtain information on the level of their satisfaction with the entire process. The consultant was able to obtain the PAP's contact information from the City of Zenica and the Municipality of Zepce.

Based on the collected telephone numbers, a socio-economic survey was conducted by a team of trained surveyors, based on a survey questionnaire prepared by land acquisition experts. The summarised version of the survey data is provided in [Annex E](#) of this LAR (full data is available in the form of a separate Excel document).

The analysis of socio-economic survey results is given in Chapter 5.

3 LEGAL REVIEW AND GAP ANALYSIS

3.1 FBiH Law on Expropriation

The *Law on Expropriation of FBiH*² regulates all issues related to land acquisition in FBiH.

The key provisions of the Law may be summarized as follows:

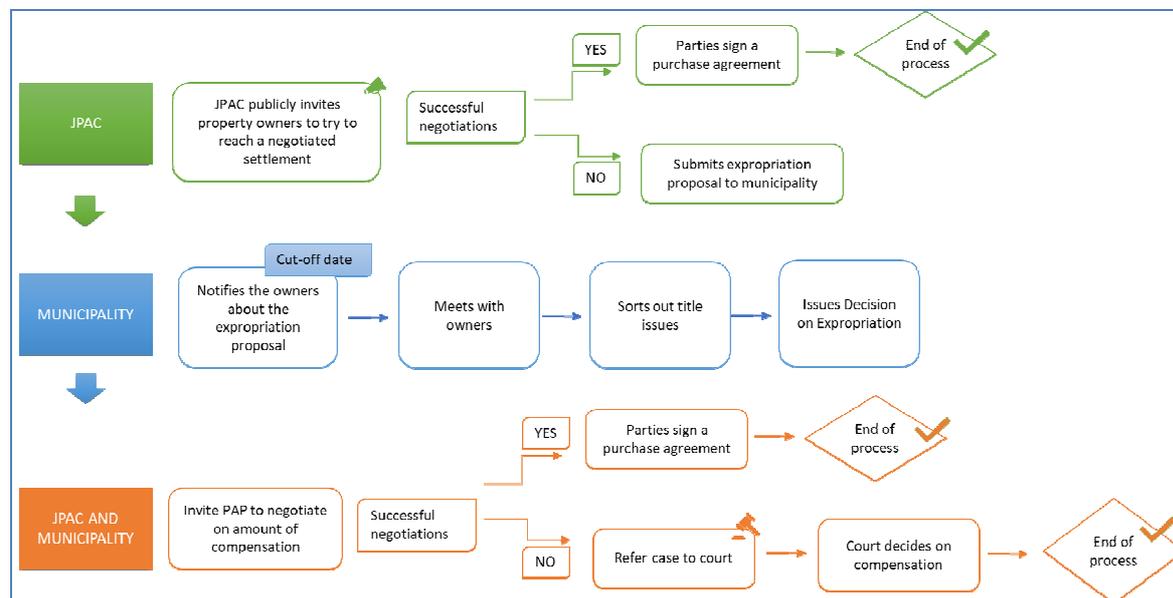
<i>Public interest</i>	Property can only be expropriated after public interest is declared for a project. The Law lists several structures the construction of which justifies expropriation (including road projects). Public interest is declared by a special decree, a law or a spatial/urban plan.
<i>Pre-condition to start expropriation</i>	Expropriation can only be started after the required funds have been secured and deposited with the bank in the assessed total sum for payment, or proof of existence of replacement properties provided.
<i>Types of expropriation</i>	Expropriation may be complete or incomplete: <ul style="list-style-type: none"> → Complete expropriation allows the expropriation beneficiary to obtain legal title over the expropriated property, while the rights of the previous owner over the property as well as other rights over that property cease to exist. → Incomplete expropriation does not entail change of ownership of land. It provides the beneficiary with usufruct rights on the land and structures, as well as the lease of the land for a definite period. At the end of the lease, usufruct rights over land are returned to the previous owner.
<i>Right to request expropriation of remaining unviable land</i>	Landowners affected by a partial loss of their property are entitled to request complete expropriation and the corresponding compensation, in case partial expropriation would deteriorate the economic situation of the actual property owner or make the remaining part of the property useless or difficult to use. Owners must be informed of such right by the municipal/city authority. Such request may be submitted until the Decision on Expropriation is issued in the first instance, as well as during the appeal procedure if the affected owner was not informed of such right.
<i>Temporary occupation of land</i>	The Law also regulates temporary occupation of land for construction purposes. Land occupation must be requested by a formal proposal indicating its purpose, the property proposed to be used, the owner of the property and the duration. Municipal authorities decide on the approval for land occupation. Compensation must be provided in the amount of lease at market prices.
<i>Negotiations</i>	The Law explicitly encourages negotiated settlements, thus enabling the expropriation beneficiary and property owner to agree on transfer of ownership and compensation during the entire process.
<i>Timing of compensation</i>	Compensation must be provided prior to formal transfer of ownership.
<i>Preferred type of compensation</i>	As a rule, appropriate replacement property is preferred by the Law. It is defined as property in the same municipality or city which corresponds to the expropriated property in terms of the market value, and which offers approximately similar conditions of usage as they had had prior to expropriation. <p>In case the property owner refuses such replacement property, or replacement property cannot be provided, compensation is paid in cash at market value of the property. The market value is based from the property prices in the area where the expropriated property is located, which can be achieved for the specific property in the market, and which depends on the demand and supply at the time of determining it.</p> <p>The Law also defines the method of determining compensation for orchards, forests and agricultural plantations, etc.</p>

² Official Gazette of FBiH, No. 70/07, 36/10, 25/12, 34/16

<i>Additional compensation</i>	<p>Property owners are also entitled to:</p> <ul style="list-style-type: none"> → increased compensation based on “personal and family circumstances”, which are taken into consideration if such circumstances are essential for the owner’s livelihood, particularly in case a major part or whole of the land or commercial premises have been expropriated, thus endangering the livelihood of the former owner, or in case members of an agricultural household must move from the area where they had been living → lost profit: the former owners are entitled to the lost profit they would have earned if they had continued using the expropriated property. Lost profits are calculated from the date the owner lost possession of the property until the date he/she received compensation. <p>Both types of entitlements are defined on a case by case basis.</p>
<i>Compensation eligibility</i>	<p>As a rule, the owners of buildings and land registered in the Land Register, the so-called formal property, are entitled receive compensation at market value.</p> <p>Owners of informally built structures are not entitled to receive the compensation; however, the owners of informal structures may demolish the structure and take away the materials within the time set by the responsible administrative department; otherwise, the structure shall be removed at the expense of the owners of informally built structures. The exception from this rule is when an informally built residential building is the only residential building the owner and their closest family members (right to home) or their legal heirs possess, in which case they are entitled to the compensation at market value. Conditions for recognition of the right to compensation to an owner of an informally built structure, in addition to the above, include:</p> <ul style="list-style-type: none"> → that the responsible authority had not passed a final decision to remove the building; → that the informally built structure is registered in the official aerial survey of the territory of the Federation of Bosnia and Herzegovina; → that the informal building is the only home of the owner of the informally built structure and members of their closest family, or their heirs.
<i>Access to property</i>	<p>For reasons of urgency and in order to avoid major damage, the expropriation beneficiary may take possession of land even before the Decision on Expropriation becomes final and before compensation is paid, but solely on the basis of a decision by the FBiH Government.</p> <p>Prior to submitting a request to gain early access, the expropriation beneficiary must present to the owner the reasons for the urgency and an offer a negotiated settlement that allows early access to the property.</p> <p>The request for an early access to property is submitted to the FBiH Administrative Commission of the Government, while the Federation Administration for Geodetic and Property Affairs prepares the proposed decision.</p> <p>If the case involves expropriation of a residential or commercial structure, the expropriation beneficiary may not file a request for an early access unless a replacement property is secured.</p> <p>An administrative dispute may be initiated against the Decision of the FBiH Government which allows early access. The dispute does not delay early access to the property.</p>

3.2 Expropriation Procedure

The key steps in the expropriation procedure (as conducted by JPAC) are shown in the figure, whereas a more detailed textual explanation is given below.



Steps:

1. The expropriation beneficiary must publish a public invitation to property owners to try to reach a **negotiated settlement**. The parties then conclude a notarised purchase agreement on transfer of legal title.
2. In case a negotiated settlement has not been reached, the expropriation beneficiary files a **proposal for expropriation** to the relevant municipality. Even after this step, a negotiated settlement can still be signed.
3. Upon receiving the proposal, the municipality must **notify the owners** that the expropriation procedure has been initiated, together with a warning to the owners that they shall not be entitled to compensation of costs of their investments in land or buildings made after they received written notification that the expropriation procedure had commenced (except the costs of regular maintenance) – **cut-off date**.
4. The municipality must then **meet with the owners** to discuss expropriation, and also notify them that they have the right to file a request for expropriation of the remaining unviable part of the property.
5. If land registry data do not correspond to the actual ownership situation (often the case due to out-dated information in the land registry books³), the municipality must **sort out the title issues** prior to proceeding with further steps.
6. The municipality issues a **Decision on Expropriation**. PAP can appeal against this Decision to the Federal Administration for Geodesy and Legal Property Affairs. If still unsatisfied, PAP can initiate an administrative dispute before the cantonal court.
7. When the Decision on Expropriation becomes final, the municipality **must invite the PAP to agree on the amount of compensation**. If the parties come to an agreement, a formal agreement is signed.
8. If no agreement on compensation is reached within 2 months, the municipality refers the case to the municipal court to determine the compensation. PAP can appeal against the court's decision and take the

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

case to the cantonal court (whose decision is then considered final but can still be disputed at the Supreme Court).

9. Formal transfer of legal title in the land register is carried out on the basis of a valid Decision and proof of payment of compensation or proof that the previous owner has acquired ownership over other corresponding property.

3.3 Other Relevant Laws in FBiH

- The *Law on Proprietary Rights*⁴ regulates the general issues of acquiring, using, disposing of, protecting and terminating ownership rights and other proprietary rights and possession rights, including the issues of restricting such rights, the right of servitude, co-ownership and joint ownership rights, the procedure for acquiring property rights over land and/or structures erected on someone else's land. The Law states that ownership rights and other proprietary rights may only be limited or taken away in public interest and under the conditions defined by the Law in accordance with the principles of international law.

A significant provision of the Law is that occupants of property acquire ownership rights upon 10 years of conscientious and legal occupancy, or upon 20 years of conscientious occupancy.

In addition, the Law provides that the conscientious builder of a structure on land owned by another person is entitled to acquire such land, if the landowner did not oppose to the construction. The land owner is in this case entitled to request to be compensated for the market value of the land.

- The *Law on Agricultural Land of FBiH*⁵ contains the basic definitions and principles regarding the management, protection, use, planning, and records related to agricultural land. The Law provides that a right of way may be established on agricultural land, as decided by the city or municipal council. The owners of such land are entitled to compensation in accordance with the Law on Expropriation.
- The *Law on Construction Land of FBiH*⁶ allows for the legalisation of informally constructed structures on construction land in state ownership on which a structure has been built. This Law enables the subsequent issuing of a permit for construction, by the Municipal Council, in accordance with the Law on Spatial Planning. Legalization of informally constructed buildings is further regulated by decrees taken at cantonal level, and implemented at municipality level.
- The *Law on Administrative Proceedings of FBiH*⁷ is applied in the procedure of expropriation as a subsidiary law to the *Law on Expropriation*. It regulates the procedures the administrative authorities apply when deciding on rights and obligations of the citizens. Parties have the right to appeal the decisions issued in the first instance. The law offers the opportunity of appointing the temporary representative if, for example, the residence of the owner of property being expropriated is unknown. The temporary representative shall be appointed by the body conducting the procedure if so required by the urgency of the case. If the temporary representative were appointed to act on behalf of a person whose residence is unknown, the authority conducting the procedure shall publish their conclusion on the bulletin board or in another usual way (in newspapers or other media outlets).
- The *Law on Land Registry of FBiH*⁸ regulates keeping, maintaining and establishing land register, as well as entry of property and rights on properties in such land register. The right of ownership and other proprietary rights are acquired by registration in the land register. In the procedure of

⁴ Official Gazette of FBiH, No. 66/13, 100/13

⁵ Official Gazette of FBiH, No. 52/09

⁶ Official Gazette of FBiH, No. 67/05

⁷ Official Gazette of FBiH, No. 2/98, 48/99

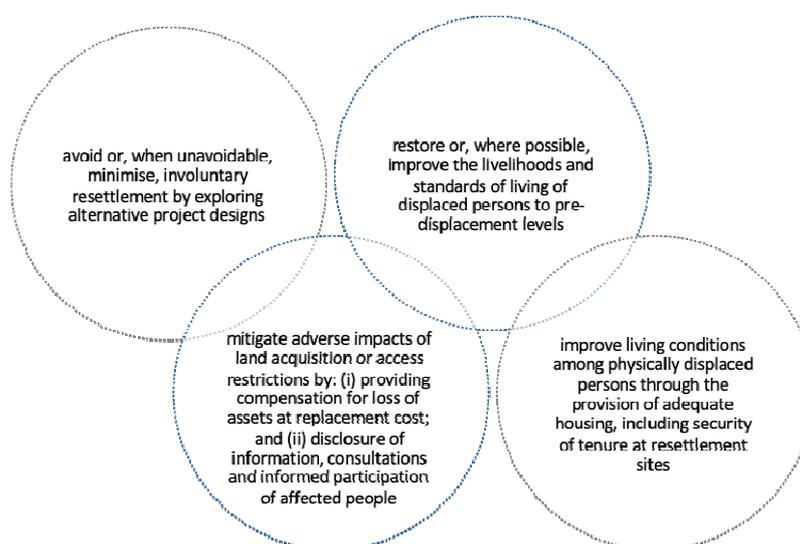
⁸ Official Gazette of FBiH, No. 19/03, 54/04

expropriation, the final decision on expropriation accompanied with the evidence of payment shall be considered the grounds for registration of the expropriation beneficiary as the owner.

- The *Law on Non-Contentious Proceedings of FBiH*⁹ stipulates the rules the courts apply in proceedings and decision-making process on individual, family, property and other rights or legal interest, which are under the law resolved in non-contentious proceedings. The courts establish the amount of compensation for the expropriated property in non-contentious procedure. The parties may conclude an agreement on the form and scope of compensation, i.e. the amount of the compensation, and the court passes the decision that is based on their agreement, if it finds the agreement compliant with the regulations defining ownership relations.
- The *Law on Bases of Social Welfare, Protection of Civilian Victims of War, and Protection of Families with Children*¹⁰ regulates social protection and aims at ensuring social protection to its citizens and their families that are in social need. Individuals and families in need are entitled to temporary, one-time and other types of monetary assistance, as well as other types of assistance. Right to such assistance may be asserted before the responsible body of the municipality where the person and family reside.

3.4 EBRD Policy

EBRD's *Environmental and Social Policy (2014)* contains 10 Performance Requirements (PRs). PR 5 refers to the *Land Acquisition, Involuntary Resettlement and Economic Displacement*. Application of this PR 5 supports and is consistent with the universal respect for, and observance of, human rights and freedoms and specifically the right to adequate housing and the continuous improvement of living conditions. Objectives of PR 5 are:



⁹ Official Gazette of FBiH, No. 39/04, 73/05

¹⁰ Official Gazette of FBiH, No. 36/99, 54/04, 39/06, 14/09, 45/16 and 40/18

Key requirements of PR 5 are the following:

- Negotiated settlements are encouraged to help avoid expropriation;
- All feasible alternative project designs should be considered to avoid or at least minimise physical and/or economic displacement, while balancing environmental, social, and economic costs and benefits;
- Affected persons must be consulted and involved from the earliest stages and through all resettlement activities to facilitate their early and informed participation in decision-making processes related to resettlement;
- A socio-economic baseline assessment on people affected by the project, including impacts related to land acquisition and restrictions on land use, and a detailed census must be carried out for each project;
- All displaced persons and communities will be offered compensation for loss of assets at full replacement cost and other assistance intended to restore, and potentially improve, their standards of living and/or livelihoods to pre-displacement levels;
- An effective grievance mechanism must be established as early as possible in the process in order to receive and address in a timely fashion specific concerns about compensation and relocation that are raised by displaced persons.

3.5 EIB Environmental and Social Standards

EIB requires that all the projects it is financing are acceptable in environmental and social terms by applying appropriate safeguards to all its operations. The EIB Environmental and Social Handbook (2018) provides an operational translation of those standards grouped across 10 thematic areas.

The two relevant environmental and social standards (ESS) are:

- **ESS 6 (Involuntary Resettlement)**, which seeks to mitigate any adverse impacts arising from loss of assets or restrictions on land use. It also aims to assist all affected persons to improve or at least restore their former livelihoods and living standards and adequately compensate for incurred losses.
- **ESS 7 (Rights and Interests of Vulnerable Groups)**, which seeks to protect all vulnerable project-affected individuals and groups, whilst seeking that these populations duly benefit from EIB operations.

Key requirements of ESS 6 are the following:

- Avoid or, at least minimise, project-induced resettlement whenever feasible by exploring alternative project designs;
- Avoid and/or prevent forced evictions and provide effective remedy to minimise their negative impacts should prevention fail;
- Ensure that any eviction which may be exceptionally required is carried out lawfully, respects the rights to life, dignity, liberty and security of those affected who must have access to an effective remedy against arbitrary evictions;
- Respect individuals', groups' and communities' right to adequate housing and to an adequate standard of living, as well as other rights that may be impacted by resettlement;
- Respect right to property of all affected people and communities and mitigate any adverse impacts arising from their loss of assets, or access to assets and/or restrictions of land use, whether temporary or permanent, direct or indirect, partial or in their totality. Assist all displaced persons to improve, or at least restore, their former livelihoods and living standards and adequately compensate for incurred losses, regardless of the character of existing land tenure arrangements or income-earning and subsistence strategies;
- Uphold the right to adequate housing, promoting security of tenure at resettlement sites;

- Ensure that resettlement measures are designed and implemented through the informed and meaningful consultation and participation of the project-affected people throughout the resettlement process; and,
- Give particular attention to vulnerable groups, including women and minorities, who may require special assistance and whose participation should be vigilantly promoted.

Key requirements of ESS 7 are the following:

- Affirm, respect, and protect the rights and interests of vulnerable individuals and groups within the designated operational scope, throughout the project lifecycle;
- Adopt a gender-sensitive approach to the management of environmental and social impacts, that takes into account the rights and interests of women and girls, men and boys;
- Identify and avoid adverse impacts of EIB operations on the lives and livelihoods of vulnerable individuals and groups, including women and girls, minorities and indigenous peoples. Where avoidance is not feasible, to reduce, minimise, mitigate or effectively remedy impacts;
- Ensure that vulnerable individuals and groups are duly and early on identified and that engagement is meaningful; and
- Enable vulnerable groups, including women and girls, minorities and indigenous peoples to benefit from EIB-financed operations.

3.6 Analysis of Gaps

The table below presents the analysed gaps between EBRD PR5/EIB ESS 6 and ESS 7 on one hand, and the *Law on Expropriation* on the other hand.

As EBRD and EIB requirements are considered to be broadly similar, the information provided in the table is considered to be relevant to both the Lenders' requirements. It is acknowledged that some of the terminology used may differ.

Table 2: Analysis of gaps

Issue	EBRD/EIB requirement	Gap between EBRD/EIB requirement and local legislation
Avoiding involuntary resettlement	Clients must explore all feasible alternative project designs to avoid or minimise the physical or economic displacement of people.	While the <i>Law on Expropriation</i> does not contain specific provisions on avoidance of expropriation, project designing processes typically seek to avoid or minimise resettlement and expropriation in practice within efforts to reduce costs.
Negotiated settlements	Clients are expected to seek to acquire property through negotiated settlements by providing fair and appropriate compensation even if they have the legal means to gain access to the land through expropriation procedure.	Expropriation beneficiaries are legally required to seek to achieve negotiated settlements. The Law makes a reference to a purchase agreement as a way to avoid expropriation.
Resettlement planning and implementation	Clients must carry out a socio-economic baseline assessment on project affected people, in order to identify impacts related to land acquisition and restrictions on land use and develop appropriate actions to minimise and mitigate resettlement impacts. Detailed land acquisition plans must be developed and implemented.	The Law has no explicit requirements related to socio-economic surveys or development of resettlement plans. However, with a view of facilitating expropriation in an early phase, the Law requires development of an expropriation study which includes a geodetic and cadastral plan of the area identified for expropriation, list of affected owners and properties, evaluation of the property value, and other related information. The scope of the expropriation study is not, however, identical to the socio-economic baseline assessment as required by PR 5/ESS 6.
Cut-off date	Clients must establish a cut-off date for eligibility and the cut-off date should be communicated throughout the project area.	No gap

Issue	EBRD/EIB requirement	Gap between EBRD/EIB requirement and local legislation												
<p>Compensation for displaced persons</p>	<p>All displaced persons should receive compensation for loss of assets at full replacement cost and other assistance in order to restore, and potentially improve, their standards of living and/or livelihoods to pre-displacement levels.</p> <p>Project affected persons may be classified:</p> <table border="1" data-bbox="357 427 858 1137"> <thead> <tr> <th data-bbox="357 427 405 474"></th> <th data-bbox="405 427 624 474">Categories of project affected persons</th> <th data-bbox="624 427 858 474">Rights</th> </tr> </thead> <tbody> <tr> <td data-bbox="357 474 405 611">a)</td> <td data-bbox="405 474 624 611">Those who have formal legal rights to the land (including customary and traditional rights recognised under national laws)</td> <td data-bbox="624 474 858 611">Right to compensation for loss of assets at replacement cost</td> </tr> <tr> <td data-bbox="357 611 405 887">b)</td> <td data-bbox="405 611 624 887">Those who do not have formal legal rights to land at the time of the census, but who have a claim to land that is recognised or recognisable under national laws (long time diligent owners and formal possessors and owners ex lege)</td> <td data-bbox="624 611 858 887">Right to compensation for loss of assets at replacement cost</td> </tr> <tr> <td data-bbox="357 887 405 1137">c)</td> <td data-bbox="405 887 624 1137">Those who have no recognisable legal right or claim to the land they occupy (persons without recognised legal right – owners of informally built structures, land usurpers, etc.)</td> <td data-bbox="624 887 858 1137">Physically displaced persons from this category must be offered a choice of options for adequate housing with security of tenure, while economically displaced persons must be compensated for any losses on land (crops, infrastructure on the land, etc.)</td> </tr> </tbody> </table>		Categories of project affected persons	Rights	a)	Those who have formal legal rights to the land (including customary and traditional rights recognised under national laws)	Right to compensation for loss of assets at replacement cost	b)	Those who do not have formal legal rights to land at the time of the census, but who have a claim to land that is recognised or recognisable under national laws (long time diligent owners and formal possessors and owners ex lege)	Right to compensation for loss of assets at replacement cost	c)	Those who have no recognisable legal right or claim to the land they occupy (persons without recognised legal right – owners of informally built structures, land usurpers, etc.)	Physically displaced persons from this category must be offered a choice of options for adequate housing with security of tenure, while economically displaced persons must be compensated for any losses on land (crops, infrastructure on the land, etc.)	<p>There are no differences between PR 5/ESS 6 and <i>the Law on Expropriation</i> with respect to the principle of determining the <i>type</i> of compensation, given that the Law favours allocation of a replacement property of equal value, and if the beneficiary of expropriation does not have appropriate property, it will offer cash compensation at market value of the property.</p> <p>However, there are two major differences between PR 5/ESS 6 and <i>the Law on Expropriation</i>.</p> <p>The <u>first</u> difference pertains to the category of persons who are entitled to compensation. The Law refers to formal owners of property with the exception of “informally built houses for which the responsible authority did not issue a final decision on removal, and which are the only housing unit of their owners and members of their closest family” where owners of informally built structure are entitled to compensation at the construction value of such structures. The requirement is that the object is recorded in the official 2017 official aerial survey of FBiH and that the responsible authority did not issue a decision on its removal.</p> <p>The <u>second</u> difference lies in the fact that EBRD/EIB require compensation at replacement value – which is the market value of assets plus the transaction costs (sale tax, notary fees, registration costs, moving costs, etc.) related to restoring of such assets in a different place. On the other hand, compensation under <i>the Law on Expropriation</i> equals the market value of property and the Law does not explicitly refer to compensation for registration costs and compensation for transfer of ownership.</p>
	Categories of project affected persons	Rights												
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c)	Those who have no recognisable legal right or claim to the land they occupy (persons without recognised legal right – owners of informally built structures, land usurpers, etc.)	Physically displaced persons from this category must be offered a choice of options for adequate housing with security of tenure, while economically displaced persons must be compensated for any losses on land (crops, infrastructure on the land, etc.)												
<p>Economic displacement</p>	<p>Clients are required:</p> <ul style="list-style-type: none"> ▪ To compensate displaced persons for loss of assets or access to assets; ▪ To compensate, in cases where land acquisition affects commercial structures, the affected business owner for: (i) the cost of re-establishing commercial activities elsewhere; (ii) lost net income during the period of transition; and (iii) the costs of the transfer and reinstallation of the plant, machinery or other equipment; ▪ To provide replacement property of equal or greater value, or cash compensation at full replacement cost to persons from the category “a” and “b”; ▪ To compensate category “c” persons for lost assets (such as crops, irrigation infrastructure and other improvements made to the land) other than land, at full replacement cost; ▪ To provide additional targeted assistance and opportunities for economically displaced persons; ▪ To provide transitional support to economically displaced persons, as necessary. 	<p>The Law foresees two measures:</p> <ul style="list-style-type: none"> ▪ an increase in compensation based on “personal and family circumstances” (if such circumstances are essential for the owner’s livelihood) and ▪ compensation for “loss of profit”. <p>However, such additional compensation is provided only to formal property owners.</p>												
<p>Vulnerable groups</p>	<p>Particular attention must be paid to vulnerable groups and individuals.</p>	<p>There are no specific provisions in <i>the Law on Expropriation</i> which require consultations with and providing assistance to vulnerable groups in the expropriation process, while PR 5/ ESS 7 require that special attention must be given to the needs of vulnerable individuals.</p> <p>In practice, socially disadvantaged persons are identified in the phase of the public call. Impacts on this population are to a certain extent mitigated through social welfare measures implemented by responsible municipalities and social welfare centres, as well as by applying specific</p>												

Issue	EBRD/EIB requirement	Gap between EBRD/EIB requirement and local legislation
		remedies regulated by the <i>Law on Expropriation</i> in form of an increased compensation for expropriated properties to formal owners, and in each specific case taking into account the social status, financial situation, unemployment, income level, etc.
Grievance mechanism	A project-specific grievance mechanism must be established.	While <i>the Law on Expropriation</i> does envisage the right of affected population (those with formal legal rights) to file complaints in various phases of the expropriation procedure, there is no requirement for establishment of an independent grievance mechanism to process complaints related to specific projects.
Participation/ consultations	Clients are required to ensure appropriate disclosure of information and involvement of all affected population from the earliest phase and during resettlement activities in order to facilitate their early and informed participation in the decision-making processes in relation to resettlement.	Several Articles of <i>the Law on Expropriation</i> stipulate notifying of/consultation with property owners and stakeholders.

4 PROJECT AREA AND LOCATION OF AFFECTED LAND PLOTS

4.1 Description of the Section Poprikuse-Nemila and Project Area

The section Poprikuse-Nemila starts with the Poprikuse interchange (settlement Golubinja in the Municipality of Zepce), crossing the existing main road M17 and local road via a viaduct $l = 168$ m. The section then enters the Golubinja tunnel ($l = 3,500$ m), and continues over a bridge $l = 218$ m above the main road and river Bosna, crossing the railway line via a viaduct $l = 108$ m. The viaduct end marks the end of the section Poprikuse-Nemila, in Kovanici (City of Zenica).

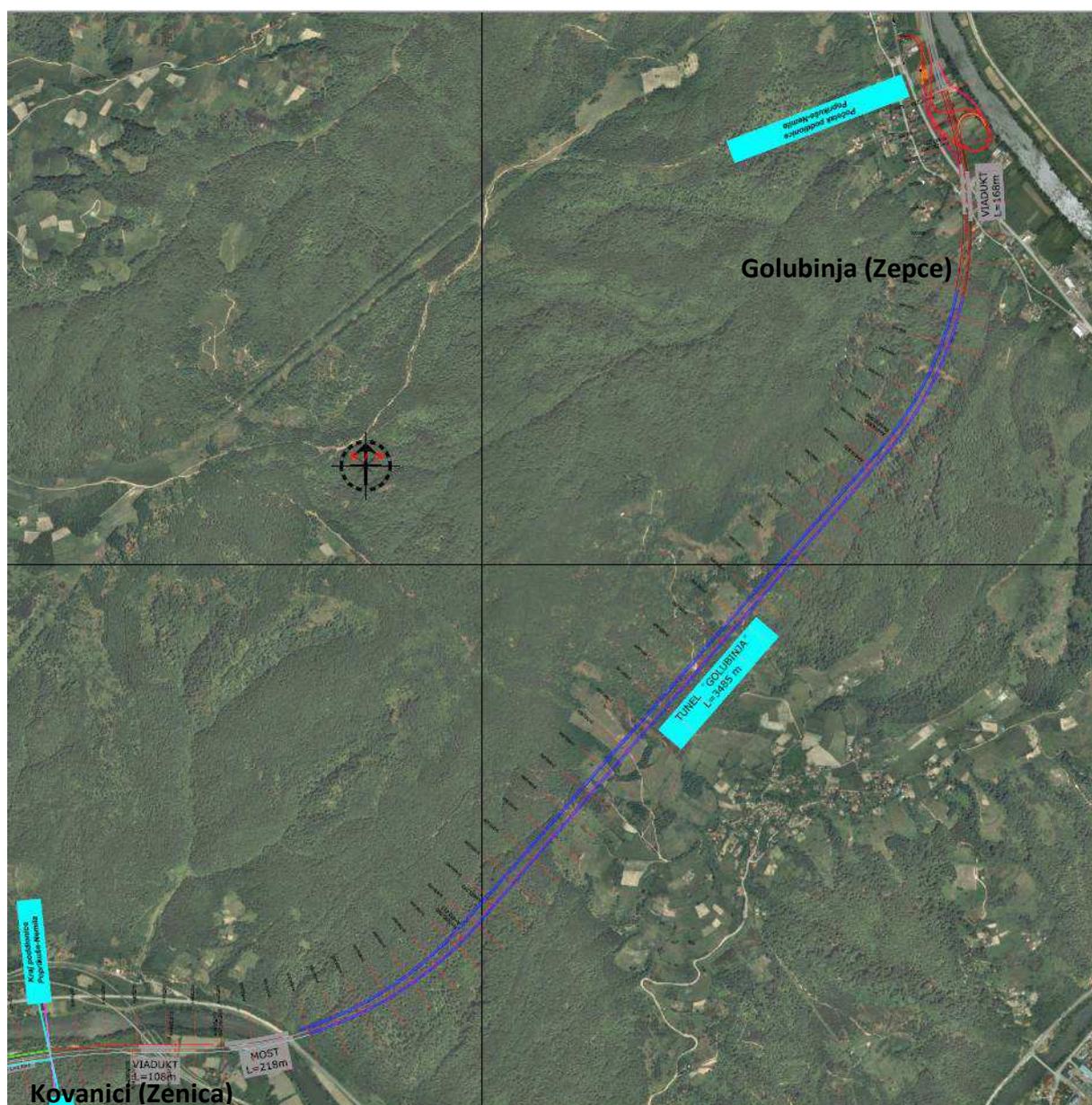


Figure 3: Section Poprikuse-Nemila

4.2 Location of Affected Land Plots

Overview

The affected land plots are located both in the City of Zenica and in Municipality of Zepce, specifically in the following settlements:

Administrative unit	Location (settlements) of affected land plots
Municipality of Zepce	<ul style="list-style-type: none"> ▪ Mracaj (beginning of section) ▪ Zeljezno Polje (connection of interchange with M17) ▪ Golubinja (entrance into Tunnel Golubinja)
City of Zenica	<ul style="list-style-type: none"> ▪ Kovanici (exit from Tunnel Golubinja/end of the section)

A more detailed explanation of these locations with maps is provided in the ensuing text.

Affected land plots at the beginning of the section in Mracaj and Zeljezno Polje (Municipality of Zepce)

The figure below shows the affected land plots at the beginning of the section, i.e., at the location of the beginning of the section in Mracaj (on the right side of the river), and at the location of the connection of the Poprikuse interchange with the main road M17 in Zeljezno Polje. Land plots are marked in green and orange:

- **Green:** land plots identified in the Expropriation Study,
- **Orange:** land plots which were not initially planned to be entirely expropriated but whose owners requested complete expropriation based on their entitlement in line with Article 11 of the *Law on Expropriation of FBiH*¹¹.



Figure 4: Map showing affected land plots at the beginning of the section in Mracaj and at the connection point of the Poprikuse interchange with the main road M17 in Zeljezno Polje (Municipality of Zepce)

¹¹ Landowners affected by a partial loss of their property are entitled to request complete expropriation and the corresponding compensation, in case partial expropriation would deteriorate the economic situation of the actual property owner or make the remaining part of the property useless or difficult to use.

Affected land plots at the location of the Poprikuse interchange and entrance into Tunnel Golubinja in Golubinja (Municipality of Zepce)

Land plots planned for the construction of the Poprikuse interchange, one viaduct and entrance into tunnel Golubinja are shown in the figure below. The affected land plots are marked in green and orange:

- **Green:** land plots identified in the Expropriation Study,
- **Orange:** land plots which were not initially planned to be entirely expropriated but whose owners requested complete expropriation based on their entitlement in line with Article 11 of the *Law on Expropriation of FBiH*.

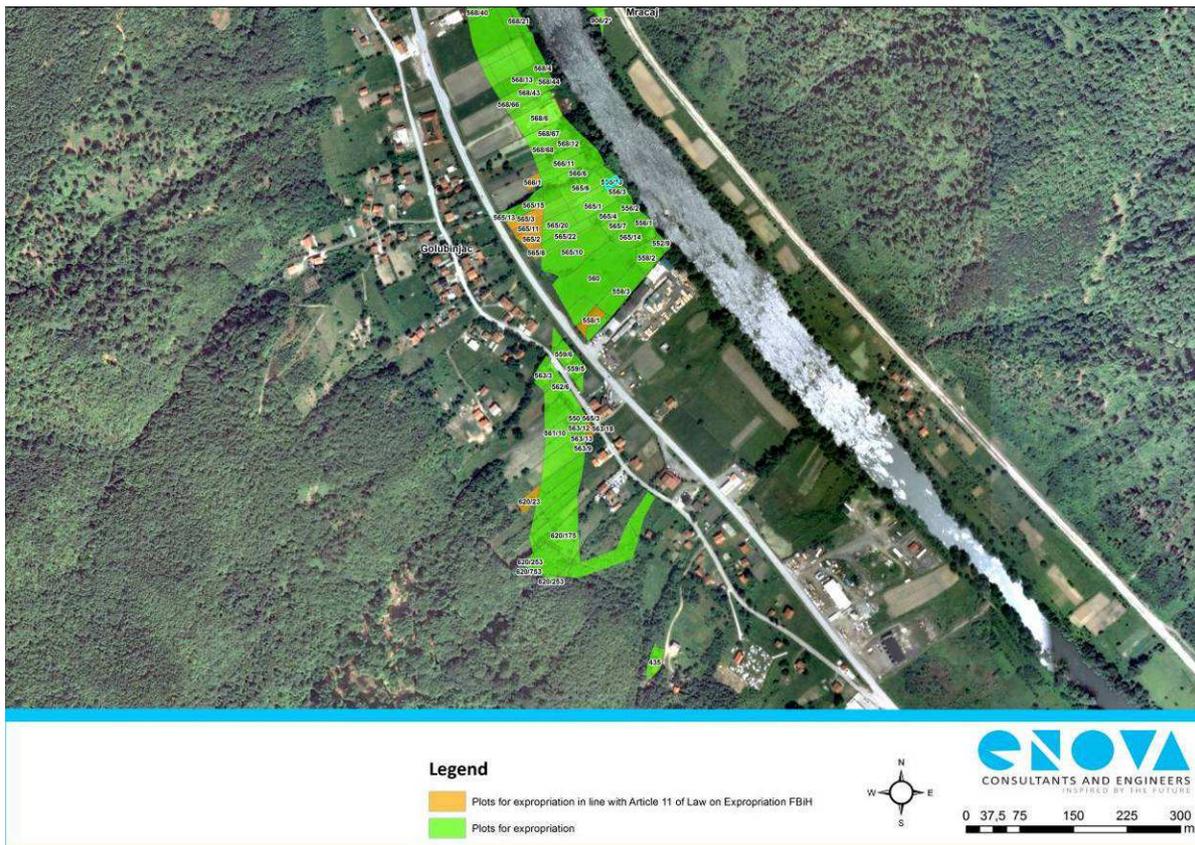


Figure 5: Map showing affected land plots at the location of the Poprikuse interchange and entrance into Tunnel Golubinja, in Golubinja (Municipality of Zepce)

Affected land plots at the exit from Tunnel Golubinja and the end of the section in Kovanici (City of Zenica)

As mentioned in the description of the section, upon exiting the tunnel, the section will continue over a bridge above the main road and river Bosna, crossing the railway line via a viaduct. The viaduct end marks the end of the section Poprikuse-Nemila, in Kovanici.

The affected land plots are marked in green and orange:

- **Green:** land plots identified in the Expropriation Study,
- **Orange:** land plots which were not initially planned to be entirely expropriated but whose owners requested complete expropriation based on their entitlement in line with Article 11 of the *Law on Expropriation of FBiH*.

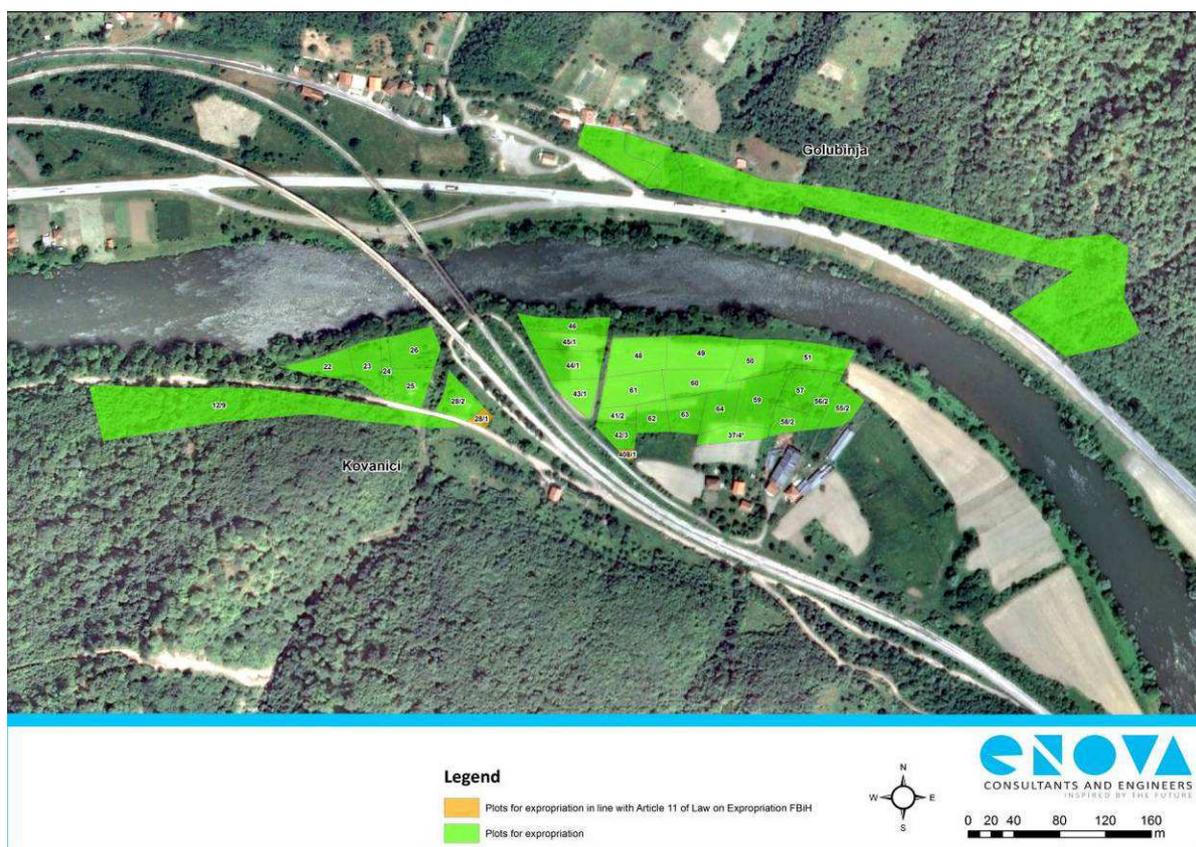


Figure 6: Map showing affected land plots at the exit from Tunnel Golubinja and the end of the section in Kovanici (City of Zenica)

5 REVIEW OF LAND ACQUISITION ACTIVITIES

5.1 Responsibility for Land Acquisition Activities

Land acquisition activities were initiated by JPAC as the expropriation beneficiary. These activities were carried out by JPAC's Department of Legal and Property Affairs in Sarajevo.

The City of Zenica and Municipality of Zepce were the expropriation authorities for the affected land plots.

5.2 Progress in Land Acquisition Activities

Land acquisition was initiated in June 2018 for all affected land plots.

The progress of completion of land acquisition is as follows:

- Land acquisition completed at **95.05%** for land plots located in Kovanici (City of Zenica) – only two compensation agreements remain to be signed but still pending due to one filed complaint and one court dispute (for details on complaints and disputes, please refer to section 5.6),
- Land acquisition completed at **100%** for land plots located in Mracaj and Zeljezno Polje,
- Land acquisition completed at **85.91%** for land plots located in Golubinje. These 85.95% include 3 land plots, for which JPAC was allowed by the FBiH Government to take early possession of land before compensation was provided. Compensation agreements were signed soon after transfer of possession, and compensation provided to all. Among the 85.95% there are two businesses and 5 households which received the compensation for expropriation¹². For the remaining 14.09% of land plots (9 PAP), the decisions on expropriation have been issued and the status is as follows:
 - 2 compensation agreements are pending due to court disputes (for details on disputes, please refer to section 5.6),
 - 2 compensation agreements are pending due to inheritance discussions,
 - The remaining 5 PAP are public companies who are not entitled to compensation for land according to the *Law on Expropriation FBiH*.

5.3 Land Acquisition Procedure and Timeline

The land acquisition process was conducted in accordance with the *Law on Expropriation of FBiH*, and the internal *Procedure for Expropriation of JPAC*.

Key steps undertaken during the process are described below.

Declaration of public interest

As property can only be expropriated upon the establishment of public interest, the construction of the section Poprikuse-Nemila was declared to be of public interest in June 2018 by the Government of FBiH¹³.

¹² 2 households still live on the affected land plots. One of them is still renovating the house he bought with the money from the compensation. The other one is constructing a house in Golubinja. The second one has his own business and business structure on the affected land plots.

¹³ Decision on Declaration of Public Interest for the Construction of the Motorway on the Corridor Vc for the Section Poprikuse-Nemila, adopted by FBiH Government on June 1, 2018.

Preparation of expropriation studies

In total, two expropriation studies were developed for the section Poprikuse-Nemila in November 2017, as follows:

- Expropriation study for the section Poprikuse-Nemila on the territory of the City of Zenica, and
- Expropriation study for the section Poprikuse-Nemila on the territory of the Municipality of Zepce.

Proposals for expropriation

The expropriation process initiated by JPAC by submitting a proposal for expropriation both to the City of Zenica and Municipality of Zepce as the expropriation authorities. The proposal was submitted on June 7, 2018.

The proposal contained data on property for which expropriation was proposed, the owners of such property and the purpose for which expropriation was proposed.

Notification of PAP

The City of Zenica and the Municipality of Zepce notified the PAP of the submitted proposals for expropriation. The cut-off date for the establishment of eligibility was the date when the PAP were notified (as defined by the *Law on Expropriation*).

Negotiated settlements

JPAC is legally required to attempt to conclude negotiated settlements whenever possible. JPAC invited all the identified PAP for reaching an agreement on the amicable transfer of ownership rights on the basis of the *Law on Expropriation*, by publicising announcements in the daily media.

However, a prerequisite for concluding such settlements at an early stage of the process is that data enlisted in the land books and data enlisted in the cadastral office must be harmonized, which was not possible in the majority of cases, due to the fact that the land books are out-dated. In addition, even though a public announcement to invite owners to conclude negotiated settlements was published in daily newspapers and on the JPAC website, none of the affected PAPs came forward with a request to conclude a negotiated settlement.

Land titles issues were then resolved in the course of the formal procedure, as required by the Law.

Decision on Expropriation and individual hearings with PAP

The City of Zenica and the Municipality of Zepce convened and held individual hearings with PAP to determine the status of ownership and the compensation for the property through agreements. The hearings were held on site, i.e. at the location of the affected properties or near to the affected land plot due to the viability, in the presence of the representatives of JPAC. Written records of each hearing were prepared.

The City and the Municipality then issued the Decisions on Expropriation for all of the land plots. In all cases, the landowners declared that they do not oppose the expropriation of their properties, as recorded in the Decisions on Expropriation.

PAP were informed of their right to appeal against the Decisions on Expropriation to the Federal Administration for Geodesy and Legal Property Affairs.

Valuation of property

Independent court experts for valuation of property (agricultural experts, construction experts, experts for economy and transport experts) conducted valuation of the existing state of land plots and assets on land in line with the provisions of the *Law on Expropriation*.

Payment of compensation

Compensation costs were borne entirely by JPAC.

Compensation arrangements were based on valuations of official court valuers, and included not only land and structures, but also all the auxiliary structures as well as any crops/trees/improvements on land.

Compensation was based on market value of property determined on the basis of prices of property in the given area, calculated as the market price which could be achieved for a specific property, depending on the supply and demand at that particular moment in time (in accordance with the Law).

However, market prices proposed by the independent court agricultural expert for valuation of property in Cadastre Municipalities of Golubinja and Zeljezno Polje were not the average market prices per m² of agricultural land in Golubinja and Zeljezno Polje, which are generally low (the average market price in Golubinja is BAM 2.96 per m² of land and the average market in Zeljezno Polje is BAM 2.38 price per m² of land). The offered prices were significantly higher (average: BAM 20.00 per m² of land) in Golubinja and Zeljezno Polje, and even higher for other Cadastral Municipalities (i.e. Bistrica) in Zepce. According to the *Report on the methodology for setting market prices for land, fruit crops, etc. on the territory of the Cadastre Municipality Golubinja, Zeljezno Polje and Bistrica in the Municipality of Zepce*¹⁴ developed by the agricultural expert, **the prices for land plots include future costs that may occur when buying other replacement land plot (notary fees, real estate agency costs, etc.). Therefore, the price is formally called the market price but de facto represents the replacement cost.**

In addition, PAPs in Zepce and in Zenica were exempted from paying on real estate transactions when buying a new real estate (land plot, house, etc.). According to Article 6 of the Law on Taxes on Real Estate Transactions of Zenica-Doboj Canton (Official Gazette of Zenica-Doboj Canton, No. 6/09) people affected by land acquisition are exempted from paying taxes during the transactions of real estate.

Valuation of demolished houses was based on flat rate values increased by costs necessary for connection to the electricity and water supply network and other connections, and by costs for fees for land conversion from agricultural to construction land; thus, the compensation offered to affected owners was higher than what would usually be offered. In some cases, compensation was increased above the market value per square meter of land plot taking into account the beautiful landscape surrounding the land plot.

Compensation provided to 5 households and two business structures on the affected land plots were based on evaluations by the official court experts for agriculture and construction. Two houses were also evaluated by the official court expert for economy. However, a gap has been identified with regard to the businesses as loss of possible business income was not evaluated. During the socio-economic survey one PAP owner of a business and business structure on the affected land plots stated that during the property valuation process, only official court experts for agriculture and construction evaluated his property, while the official court expert for economy was not engaged for evaluating possible losses due to business relocation. According to information provided by the Municipality of Zepce, neither of the businesses asked for additional evaluation by court experts for economy. It is the consultant's opinion that these businesses should have been evaluated by the court expert for economy to ascertain whether there was any income losses during the transition period.

In cases where compensation has already been paid, it was provided prior to formal transfer of ownership of expropriated property almost in all cases, in compliance with the Law which stipulates that compensation arrangements must in general be settled prior to formal transfer of ownership of the expropriated property. As an exception, only for three land plots in Golubinja, JPAC was allowed early access to property by the FBiH Government¹⁵ before compensation was paid, according to procedures determined by the *Guidelines for Expropriation Beneficiaries for Taking Possession of Property Prior to Effectiveness of Decisions on Expropriation or Payment of Compensation* issued by the Federal Administration for Geodetic and Property

¹⁴ A summary of the Report is provided in Annex F of this LAR.

¹⁵ Decision issued by FBiH Government No. 03-31-1242/2018 on January 17, 2019.

Affairs in May 2016. On these land plots, no residential or commercial structures were identified by the court expert. This exception is in line with the Law on Expropriation¹⁶.

Completion of the land acquisition process

The land acquisition process will be officially completed through a transfer of ownership rights in the Land Registry Office as property in public domain in favour of JPAC.

Upon payment of compensation for each land plot, JPAC sends a notification on paid compensation to the Land Registry Office, after which the Office completes the registration of ownership rights and other proprietary rights over acquired property.

5.4 Scope and Impacts of Land Acquisition

5.4.1 Affected People and Properties/ Identified Impacts

Total number of land plots

As explained previously, land plots in Kovanici belong to the City of Zenica, while land plots in Golubinja, Mracaj and Zeljezno Polje belong to the Municipality of Zepce.

The **total number of affected land plots in all settlements is 128**, of which:

- 125 private (29 in Kovanici, 85 in Golubinja, 4 in Mracaj and 7 in Zeljezno Polje);
- 3 state-owned (all in Kovanici).

The **total number of PAP in all settlements is 60**, of which:

- 57 private (14 in Kovanici, 37 in Golubinja, 2 in Mracaj and 4 in Zeljezno Polje);
- 3 public (all in Kovanici).

Type of expropriation

All land plots (privately owned and state-owned land plots) are **entirely affected**. Incomplete expropriation is not required in any of the settlements.

Private land plots

On the entire section, there were 5 inhabited houses, **which means that 5 households were physically resettled**.

There were also two commercial structures, so **two businesses were relocated**.

There were a total of **7 cases of livelihood impacts** on this section:

- 2 PAP had business structures on affected land plots (one had a barn for cattle fattening (with a capacity of 18 heads), while the other structure refers to a transport company),
- 4 PAP cultivated raspberries and these agricultural activities were a source of income (they sold the crops),
- 1 elderly pensioner produced honey for his own needs and for sale as a source of income.

Out of 125 privately owned land plots, 20 requested to be fully acquired according to Article 11 of the *Law on Expropriation*.

State-owned land plots

¹⁶ According to the Law +, if the case involves expropriation of a residential or commercial structure, the expropriation beneficiary may not file a request for an early access unless a replacement property is secured.

All state-owned land plots (3 in total) are entirely acquired – one is a forest land, one is a creek, and one is an access road.

Land use

According to cadastral data, there are several type of land plots in the Project area (according to official classification of land):

- 46% farmland
- 20% meadows
- 15% orchard
- 7% forest (one land plot belongs to state-owned land plots)
- 5% infertile land
- 2% pasture
- 5% “others” (all other types of land, i.e. mixed categories of land such as meadow/yard, farmland/meadow, access road, creek, yard, etc.).

Use of private land

49% of PAP used their land (50 land plots in total) for agriculture purposes (crops, corn, vegetables, fruits, raspberries, grain, etc.). There was also an irrigation system with pipelines, a septic tank, a gate, a barbecue with AB plateau, two AB plateaus in front of buildings, a fence and metal gate, hives with bees, part of a pipeline for water drainage (46m out of 93m), a concrete pipe sewer, a gravel embankment, drainage, etc.

Among these land plots used for agriculture purposes, 19 land plots are categorised as orchards (pear trees, apple trees, cherry trees, plum trees, walnut tree, white mulberry trees, etc.).

The court experts also registered various types of trees and fruit trees (plum trees, walnut trees, apple trees, etc.) on one of the land plots classified as meadow/yard, one land plot categorised as farmland/meadow and one land plot categorised as pasture.

Photographs of some of these land plots are provided below.

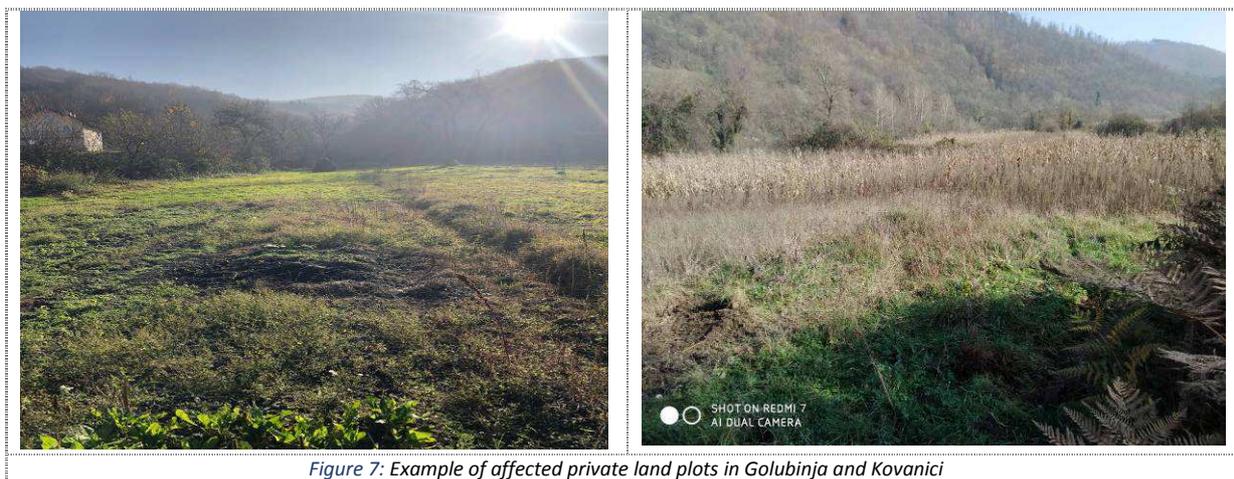


Figure 7: Example of affected private land plots in Golubinja and Kovanici

Use of state-owned land

None of the state-owned plots is fertile land, and none was used by any private persons. 1 land plot is classified as a forest, 1 land plot as a creek and 1 land plot as a small access road.

The small access road was used to connect six private land plots to a local road and the Bosna River. However, these six land plots were acquired so this access road has no further use.

Residential and auxiliary structures

Houses

In Golubinja, there are 8 houses on the privately owned plots: 5 of them were inhabited houses, whereas 3 were old/abandoned houses constructed next to the inhabited ones. In addition, on one land plot in Golubinja, there was a weekend cottage¹⁷. All of these structures were registered in the cadastre.

In Kovanici, there are 3 demolished houses on the private land plots, all registered in the cadastre.

In the other settlements (Mracaj and Zeljezno Polje), there are no houses on affected land plots.

Auxiliary structures

The identified auxiliary structures (a small wooden shed, AB plateau, irrigation system, pipelines, fence and metal gate, hives with bees, concrete pipe sewer, septic tank, drainage system etc.) are located on land plots classified as farmland, meadow, orchard, yard, pasture and infertile land in Golubinja, Mracaj and Zeljezno Polje.

Businesses

Two commercial structures were affected by land acquisition: one commercial structure refers to a barn for cattle fattening (with a capacity of 18 heads), while the other structure refers to a transport company (carrier of goods). These two businesses have been relocated.

In addition, two land plots owned by a third business were acquired, but only a gravel embankment and a drainage system were identified on these land plots. Relocation of this third business was not required as no commercial structure was identified and no commercial activities were performed on the location.

5.4.2 Socio-economic Survey

As already explained at the beginning of this LAR, for the section Poprikuse-Nemila, the LALRP was not prepared before starting the expropriation. Until January 2020, JPAC did not have an established Division for Study Documentation, Social and Environmental Policy and JPAC did not have sufficient capacities to ensure proper addressing of E&S issues during the pre-construction and construction phases. At the beginning of the land acquisition process for the section Poprikuse-Nemila the Expropriation Studies was prepared by JPAC broadly compliant with PR 5 census requirements. However, no socio-economic survey was conducted, as there is no explicit legal requirement for preparing socio-economic studies or resettlement plans. For these reasons the consultant established contacts with some PAP in order to obtain information on the level of their satisfaction with the entire process.

The consultant obtained the contact information of 50 PAP from the City of Zenica and the Municipality of Zepce, and was able to successfully survey 34 PAP, representing 60.72% of all PAP¹⁸.

The surveyed 34 PAP were owners of 63 private land plots (out of the 125 private land plots in total).

The survey results are summarised below.

Household size

The minimum number of household members in the sample was 2 and the maximum number of household members was 7. The average household size in the sample was 4 household members.

¹⁷ The consultant could not obtain any information by the Municipality of Zepce whether the weekend cottage was used or not.

¹⁸ The consultant also tried to contact the remaining 14 PAP, but 4 were unwilling to communicate, some were unavailable and for some the phone numbers were incorrect.

Vulnerability

Out of 34 respondents, 8 respondents reported that one of their family members belongs to the category of vulnerable groups:

- 4 of them are disabled war veterans,
- 1 was ill during the expropriation procedure (and passed away thereafter),
- 1 is deaf,
- 2 have diabetes.

Primary sources of income

Out of 34 respondents, 33 respondents¹⁹ reported on their primary sources of income:

- 18 respondents reported salaries as the primary source of income,
- 11 reported pensions as the primary source of income,
- 1 respondent reported his mother's disability pension as primary source of income,
- 2 respondents are unemployed - 1 of them is registered at the unemployment bureau,
- 1 respondent reported agriculture as primary source of income.

Houses and businesses on affected land plots

Among the 34 surveyed PAP, 2 still live on the affected land plots. Both have been provided with monetary compensation but were allowed by JPAC to remain as they needed time for finding an appropriate place to live. One of them is still renovating a house he bought elsewhere with the received compensation, and the other is constructing a house in Golubinja. The second PAP has his own business and business structure on the affected land plots. He stated during the survey that, during the property valuation process, only official court experts for agriculture and construction evaluated his property, while the official court expert for economy was not engaged for evaluating possible losses due to business relocation²⁰.

Note: The consultant contacted JPAC and the Municipality of Zepce for additional clarifications, and both explained that, during evaluation by off experts for agriculture and construction, the PAP insisted to be provided with compensation and did not ask to be evaluated by court experts for economy.

Agriculture activities on affected land plots

25 respondents reported that they used the expropriated land for agriculture:

- 11 respondents had sown corn and other vegetables (tomatoes, potatoes, etc.), while 14 respondents cultivated fruits (apples, strawberries, raspberries, plums, blackberries) on the land.
- 16 respondents answered that they were compensated for all crops and trees on land, while the other 9 reported that they did not receive any compensation for crops²¹.

23 respondents reported that they used crops for their families' own needs, whereas 2 used crops for both personal consumption and for sale.

Compensation

¹⁹ Only one respondent did not wish to report on sources of income.

²⁰ This is **considered as a gap** and is elaborated in the last chapter of this LAR.

²¹ These answers reflect the personal perceptions of the respondents. In accordance with the court expert evaluations and the summary table on provided compensation prepared by JPAC, all PAP with crops received compensation for crops. However, **this is considered as a gap** and is elaborated in the last chapter of this LAR.

33 respondents reported that they received monetary compensation for their land plots, while one respondent is still waiting for compensation.

24 respondents are satisfied with the level of compensation received, while 9 respondents are not satisfied. Only one PAP reported on the reason of its dissatisfaction. This PAP explained that he runs his own business on the affected land plot and that he was not satisfied with the evaluation of his business. He explained that only official court experts for agriculture and construction evaluated his property, while the official court expert for economy was not engaged for the evaluation of possible losses during the relocation of the affected business.

4 respondents purchased other land with the received monetary compensation:

- 2 of them purchased land in Golubinja,
- 1 of them purchased land in Siroki Brijeg,
- 1 of them did not specify where he/she bought the land.

Possibility of negotiating

16 respondents reported that they were provided with the possibility of negotiating the amount of compensation, while 18 respondents said they were not able to negotiate amount of compensation²².

Level of satisfaction with information provided during the land acquisition process

67.65% of respondents were “completely satisfied” with information provided during the process of expropriation, 20.58% of respondents were “fairly satisfied”, while 11.77% were “not at all satisfied” with information provided to them during the land acquisition process. Among those unsatisfied, 2 of them reported on the reasons of their dissatisfaction (due to scarce information provided at the beginning of the land acquisition procedure). The other respondents did not reported on the reasons of their dissatisfaction. However, they were not aware of the replacement cost which EBRD requires and thus they were disadvantaged.

Impacts on livelihoods

47% respondents stated that land acquisition positively affected the livelihoods of their household, and 14.70% respondents reported that land acquisition negatively affected their livelihoods.

38.30% respondents stated that land acquisition did not affect the livelihoods of their households in any manner.

5.5 Disclosure of Information and Consultations Held to Date

Various types of consultations were organised for this section throughout the land acquisition process:

- PAP living in the Project area were **individually visited** by the representatives of JPAC, the City of Zenica and Municipality of Zepce, and the court experts for valuation of property,
- After the submission of the proposal for expropriation by JPAC, PAP were **notified about the proposal** by both the City of Zenica and Municipality of Zepce,
- A **public announcement for the conclusion of negotiated settlements** was published on JPAC’s website, and in two daily newspapers,
- For PAP for which the Decisions on Expropriation became final, the City of Zenica and Municipality of Zepce organised **hearings** to determine the compensation amounts,

²² These answers reflect the personal perceptions of the respondents. In accordance with the Law on Expropriation applied by JPAC, all PAP were offered compensation about which they could negotiate. Any still unsatisfied PAP were able to initiate a court proceeding to determine the amount of compensation.

- PAP were **informed of their right to request expropriation of the entire plot** in cases where only part of the plot was initially planned to be expropriated.

In addition, for the land plots located in Golubinja:

- Since some PAP live abroad, the Municipality of Zepce made **additional efforts to contact** each PAP. The Municipality contacted the President of Local Community Golubinja who found all the contacts of PAP living abroad so the Municipality could contact all of them.

5.6 Grievances and Disputes

Affected owners were informed of their right to appeal at many stages of the process, as defined by the *Law on Expropriation*, including administrative and judicial appeals against the decision on public interest, the decision on expropriation and regarding compensation.

In addition, JPAC provided all PAP with contact information of the officials tasked with expropriation activities within JPAC, the City of Zenica and the Municipality of Zepce for purposes of submitting enquiries and grievances.

Complaints and disputes initiated during the expropriation procedure in the **City of Zenica** are summarised as follows:

Reason of dispute	Number of disputes	Initiated by	Initiated before	Resolution status
Request for increase in amount of compensation offered	1	Affected owner	Municipal Court	Pending: Municipal Court will decide to accept or refuse the request for increase in amount of compensation.
Complaint on the basis of Article 11 of the Law on Expropriation (owner affected by a partial loss of requested complete expropriation and corresponding compensation)	1	Affected owner	Federal Administration for Geodetic and Real Property Affairs	Pending: Federal Administration for Geodetic and Real Property Affairs will decide to accept or refuse the request on the basis of Article 11 of the Law on Expropriation.

Complaints and disputes initiated during the expropriation procedure in the area of the **Municipality of Zepce** are summarised as follows:

Reason of dispute	Number of disputes	Initiated by	Initiated before	Resolution status
Complaint on the basis of Article 11 of the Law on Expropriation (owner affected by a partial loss of requested complete expropriation and corresponding compensation)	2	1 initiated by JPAC 1 initiated by the affected owner	Federal Administration for Geodetic and Real Property Affairs	Both cases resolved: 1. the complaint filed by JPAC was resolved in favour of JPAC who was against the application of Article 11 (the owner initiated a dispute against this decision before the Cantonal Court of Zenica) 2. the complaint filed by the owner was resolved in favour of the owner who was against the decision of the Municipality which stated that there was no basis for applying Article 11. This subject was returned to the first instance authority

Reason of dispute	Number of disputes	Initiated by	Initiated before	Resolution status
				(Municipality), who has to make an additional evaluation (additional evaluation by court experts).
Request for annulment of the decision adopted by the Federal Administration for Geodetic and Real Property Affairs stating that the owner is not entitled to request complete expropriation of its land plots according to Article 11 of the Law on Expropriation.	1	Affected owner	Cantonal Court of Zenica	Pending: Cantonal Court will decide to accept or refuse the request
Request for increase in amount of compensation offered	1	Affected owner	Municipal Court	Pending: Municipal Court will decide to accept or refuse the request for increase in amount of compensation.

5.7 Assistance to Vulnerable Persons

JPAC as the expropriation beneficiary undertook activities to assist vulnerable people such as individual visits to elderly persons in their homes during the expropriation procedure and by increasing the compensation provided to these people.

In the Municipality of Zepce, one family (a deaf-mute person and his sister who has mental health issues, were provided with higher compensation as JPAC took into consideration additional expenses that this condition could cause (hiring an attorney, etc.).

5.8 Livelihood Restoration Mechanisms

According to the Law on Expropriation, the personal and other family conditions of the previous owner of the expropriated property are taken into consideration as a corrective for an increase in the amount of determined compensation (up to 40%, according to case law in FBiH) if those conditions are of great importance for the subsistence of the previous owner, and in particular if his/her subsistence has been endangered due to the expropriation of a larger part or the entire land or business premises in which the previous owner legally performed a business activity, as well as in the case where due to the expropriation members of an agricultural household have to move from the territory where they had lived.

The necessity of providing livelihood restoration measures was identified by JPAC in **several cases** involving:

- assistance to families with no regular income or low levels of income, and
- registered agricultural activities.

For example, PAP with no income, where all household members were unemployed, received additional compensation. Also, PAP who were cultivating crops for sale were entitled to additional compensation in cash for the loss of part of land which was used for such activities. In addition, all crops and wood mass were taken into account and compensation provided to all PAP with any type of crops.

5.9 Costs and Budget

The costs of the land acquisition process are financed exclusively by JPAC.

According to information provided by JPAC, the expropriation budget for this section is BAM 6 mil., of which BAM 4.28 has already been disbursed and an additional BAM 1.72 mil needs to be disbursed upon the conclusion of all agreements with PAP.

Valuation of properties was conducted by official court experts, and has included the following items:

- Compensation for land including all crops and trees,
- Compensation for residential and commercial structures,
- Compensation for auxiliary structures,
- Compensation aimed at restoration of livelihood loss (i.e. compensation increased by applying Article 47 of the Law on Expropriation FBiH).

6 KEY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

Process gaps

The main elements of the land acquisition process conducted by JPAC in comparison to EBRD PR 5 requirements and EIB ESS 6/ESS 7 are presented in the table below.

Table 3: Key findings regarding the land acquisition process for the section Poprikuse-Nemila

Issue	Activities undertaken by JPAC	EBRD PR 5 requirements and EIB ESS 6/ESS 7	Comments
Census and socioeconomic survey and Resettlement Action Plan (RAP)	Expropriation Studies were prepared as the baseline census, and no socio-economic survey was conducted, as there is no explicit legal requirement for preparing socio-economic studies or resettlement plans. The Expropriation Studies contained data on affected owners or users, data on property and estimates of the value of property.	A socio-economic baseline assessment and a detailed census must be developed at early stages of project preparation.	No significant gaps identified based on the following justifications: The Expropriation Studies prepared by JPAC in line with the requirements set out in the Law are broadly compliant with PR 5 census requirements because the Expropriation Studies contain almost all data contained in the census developed for LALRP purposes (without detailed lists of all natural and auxiliary objects). In addition, the socio-economic characteristics of the affected population were evaluated informally during the process of consultations with such PAP encountered during individual hearings organised by representatives of JPAC, the City of Zenica and the Municipality of Zepce. During these meetings, JPAC collected information on the socio-economic status of PAPs which was taken into consideration when proposing compensation ²³ .
Cut-off date for eligibility	The cut-off date was the date when the City of Zenica and the Municipality of Zepce notified the PAP about the submitted proposal for expropriation by JPAC, as required by the Law on Expropriation.	A cut-off date for eligibility must be determined and communicated throughout the project area	No gaps identified in the process. The cut-off date was determined in line with the Law on Expropriation of FBiH, and it was communicated to all PAPs by the city and municipal authorities.
Disclosure of information and consultations	PAP living in the Project area were individually visited as well as informed through official channels. Additional efforts were made by the Municipality of Zepce to inform the PAP who do not live in the Project area. A detailed elaboration is provided in 5.5 of this LAR.	Appropriate disclosure of information and involvement of all affected population must be ensured from the earliest phase.	No gaps identified in the process. The disclosure and consultation activities undertaken by JPAC, the City of Zenica and the Municipality of Zepce are compliant with EBRD PR 5 and EIB ESS 6.
Eligibility for	No PAPs without any	According to PR 5/ESS 6,	No gaps identified in the process. No informal

²³ According to the Law on Expropriation, the personal and other family conditions of the previous owner of the expropriated property are taken into consideration as a corrective for an increase in the amount of determined compensation (up to 40%, according to case law in FBiH) if those conditions are of great importance for the subsistence of the previous owner, and in particular if his/her subsistence has been endangered due to the expropriation of a larger part or the entire land or business premises in which the previous owner legally performed a business activity, as well as in the case where due to the expropriation members of an agricultural household have to move from the territory where they had lived.

Issue	Activities undertaken by JPAC	EBRD PR 5 requirements and EIB ESS 6/ESS 7	Comments
compensation (categorization)	<p>recognisable legal right or claim to the land they use were affected by the project (category iii per PR 5).</p> <p>Cases involving informal users²⁴ (category ii per PR 5) (were identified and resolved adequately by the Municipalities in compliance with the Law, which stipulates that municipalities are required to sort out title issues prior to proceeding with further steps. Informal users under category ii thus gained the status of formal owners.</p>	<p>there are 3 categories of persons in terms of compensation eligibility:</p> <p>i) Those who have formal legal rights to the land,</p> <p>ii) Those who do not have formal legal rights to land at the time of the census, but who have a claim to land that is recognised or recognisable under national laws,</p> <p>iii) Those who have no recognisable legal right or claim to the land they occupy.</p>	<p>users as defined by category (iii) (i.e. those who have no recognisable legal right or claim to the land they occupy) were affected by the Project.</p>
Types and levels of compensation	<p>Compensation arrangements were based on valuations of official court valuers, and included auxiliary structures as well as any crops/ trees/ improvements on land. Compensation was based on market value of property, but increased as necessary to cover e.g. livelihood restoration costs.</p> <p>Compensation provided to 5 households and two business structures on the affected land plots were based on evaluations by the official court experts for agriculture and construction. Two houses were also evaluated by the official court expert for economy.</p>	<p>The main requirement of PR 5/ESS 6 is that all displaced persons receive compensation for loss of assets at full replacement cost and other assistance in order to restore, and potentially improve, their standards of living and/or livelihoods to pre-displacement levels.</p>	<p>Even though compensation paid was not defined as “compensation at full replacement cost”, the official court experts took into consideration all assets on the land plots and increased the level of compensation in case of livelihood losses. All types of compensation were calculated according to market prices. However, market prices proposed by the independent court agricultural expert for valuation of property in Cadastre Municipalities of Golubinja and Zeljezno Polje were not the average market prices per m² of agricultural land in Golubinja and Zeljezno Polje, which are generally low (the average market price in Golubinja is BAM 2.96 per m² of land and the average market in Zeljezno Polje is BAM 2.38 price per m² of land). The offered prices were significantly higher (average: BAM 20.00 per m² of land) in Golubinja and Zeljezno Polje, and even higher for other Cadastral Municipalities (i.e. Bistrica) in Zepce. According to the <i>Report on the methodology for setting market prices for land, fruit crops, etc. on the territory of the Cadastre Municipality Golubinja, Zeljezno Polje and Bistrica in the Municipality of Zepce</i>²⁵ developed by the agricultural expert, the prices for land plots include future costs that may occur when buying other replacement land plot (notary fees, real estate agency costs, etc.). Therefore, the price is formally called the market price but de facto represents the replacement cost.</p> <p>In addition, PAPs in Zepce and in Zenica were exempted from paying on real estate transactions when buying a new real estate (land plot, house, etc.). According to Article 6 of the Law on Taxes on Real Estate Transactions of</p>

²⁴ i.e. cases in which there is a discrepancy between the land registry records and the actual ownership situation – for e.g. the land registry has not been updated following the decease of a registered owner or due to other reasons

²⁵ A summary of the Report is provided in Annex F of this LAR.

Issue	Activities undertaken by JPAC	EBRD PR 5 requirements and EIB ESS 6/ESS 7	Comments
			<p>Zenica-Doboj Canton (Official Gazette of Zenica-Doboj Canton, No. 6/09) people affected by land acquisition are exempted from paying taxes during the transactions of real estate.</p> <p>Valuation of demolished houses was based on flat rate values increased by costs necessary for connection to the electricity and water supply network and other connections, and by costs for fees for land conversion from agricultural to construction land; thus, the compensation offered to affected owners was higher than what would usually be offered. In some cases, compensation was increased above the market value per square meter of land plot taking into account the beautiful landscape surrounding the land plot.</p> <p>A gap has been identified with regard to the businesses as loss of possible business income was not evaluated. During the socio-economic survey one PAP owner of a business and business structure on the affected land plots stated that during the property valuation process, only official court experts for agriculture and construction evaluated his property, while the official court expert for economy was not engaged for evaluating possible losses due to business relocation. According to information provided by the Municipality of Zepce, neither of the businesses asked for additional evaluation by court experts for economy. It is the consultant's opinion that these businesses should have been evaluated by the court expert for economy to ascertain whether there was any income losses during the transition period.</p> <p>In addition, the alleged refusal of businesses for such valuation should have been documented.</p> <p>The consultant is also concerned with the adequacy of compensation for crops. Namely, during the socio-economic survey, some PAP reported that they did not receive compensation for crops, whereas JPAC's report shows that all PAP received compensation for crops. It is the consultant's opinion that JPAC should verify and report on payment of compensation for all crops on affected land. Any inconsistencies in payment packages should be corrected by providing adequate compensation.</p> <p>For compensation related to livelihood losses, please see the relevant item below.</p>
Timing of compensation	<p>Except for 3 land plots, compensation was in all cases paid prior to formal transfer of ownership of expropriated property.</p> <p>For the mentioned 3 land plots in Golubinja JPAC was allowed early access to property by the</p>	<p>Compensation must be provided before displacement or imposition of access restrictions.</p>	<p>No significant gaps identified.</p> <p>According to the Law on Expropriation of FBiH, for reasons of urgency and in order to avoid major damage, the expropriation beneficiary may take possession of land even before the Decision on Expropriation becomes final and before compensation is paid, but solely on the</p>

Issue	Activities undertaken by JPAC	EBRD PR 5 requirements and EIB ESS 6/ESS 7	Comments
	<p>FBiH Government before the compensation was paid. The money for the compensation was earmarked in an escrow account opened by JPAC only for this purpose. However, compensation agreements were signed soon after transfer of possession, and compensation provided to all.</p>		<p>basis of a decision by the FBiH Government. However, the Law prohibits early access before replacement property (or other type of compensation) is secured in case if the expropriation involves a residential or commercial structure.</p> <p>There were no structures of the land for which early access was allowed. In addition, compensation was paid to PAP soon after early access.</p>
<p>Livelihood restoration mechanism</p>	<p>The necessity of providing livelihood restoration measures (in terms of compensation for loss of income) was identified by JPAC in several cases involving assistance to families with no regular income or low levels of income and registered agricultural activities.</p> <p>Specific livelihood restoration measures for the two businesses with business structures on two affected land plots were not identified. Both businesses were provided with compensation for the business structure and other auxiliary or natural assets. According to information provided by the Municipality of Zepce, neither of the businesses asked for additional evaluation by court experts for economy.</p>	<p>PR 5/ESS 6 requires the restoration or, where possible, improvement of the livelihoods and standards of living of displaced persons to pre-displacement levels.</p>	<p>A gap has been identified in the evaluation process for the two business structures. It is the consultant's opinion that these businesses should have been evaluated by the court expert for economy to ascertain whether there was any income losses during the transition period. In addition, the alleged refusal of businesses for such valuation should have been documented.</p>
<p>Assistance to vulnerable persons /households</p>	<p>JPAC as the expropriation beneficiary undertook activities to assist vulnerable people such as individual visits to elderly in their homes during the expropriation procedure and by increasing the compensation provided to these people.</p> <p>In the Municipality of Zepce, one family (a deaf-mute person and his sister who has mental health issues, were provided with increased compensation as JPAC took into consideration additional expenses that this condition could cause (hiring an attorney, etc.).</p>	<p>PR 5/ESS 7 requires that particular attention must be paid to vulnerable groups and individuals.</p>	<p>No gaps identified in the process.</p> <p>Even though no formal process for identifying and assisting vulnerable groups was in place (as the Law on Expropriation does not stipulate any such measures), vulnerable groups were de facto identified and provided with assistance during the expropriation process: visits to elderly people in their homes and increasing compensation for identified vulnerable people.</p>
<p>Grievance redress</p>	<p>Affected owners were informed of their right to appeal at many stages of the process, as defined by the Law, including administrative and judicial appeals against the decision on public interest, the decision on expropriation and regarding compensation.</p>	<p>A project-specific grievance mechanism must be established.</p>	<p>Even though no Project-specific grievance mechanism was established by JPAC as not legally required under the Law on Expropriation of FBiH, JPAC made proactive efforts to communicate with PAP. Thus, an informal grievance mechanism was utilized throughout the entire process by providing PAP with contact information of officials to whom they may address their concerns. Thus, no significant gaps</p>

Issue	Activities undertaken by JPAC	EBRD PR 5 requirements and EIB ESS 6/ESS 7	Comments
	<p>In addition, JPAC provided all PAP with contact information of the officials tasked with expropriation activities within JPAC, City of Zenica and Municipality of Zepce for purposes of submitting enquiries and grievances.</p> <p>Three complaints were filed and two disputes initiated. A detailed elaboration is provided in 5.6 of this LAR.</p>		<p>identified in the process.</p> <p>However, taking into consideration that establishing a grievance mechanism is a requirement of the Environmental and Social Action Plan (ESAP) and Stakeholder Engagement Plan (SEP) for the Section Poprikuse-Nemila, it will be recommended to JPAC to establish a grievance mechanism for this road Section, as well as for other road sections financed by EBRD. Grievances in relation to construction activities on the Section will be addressed by construction contractor(s) and their management will be monitored by JPAC.</p>
Monitoring, evaluation and reporting	<p>Internal monitoring and reporting by the JPAC Department of Legal and Property Affairs with regards to the progress of land acquisition and overall spending was carried out.</p> <p>No land acquisition reports are publicised by JPAC.</p>	<p>Monitoring of the resettlement and livelihood restoration process must be carried out in accordance EBRD and EIB requirements and should involve the participation of key stakeholders such as affected communities.</p>	<p>A gap in monitoring procedure has been identified. JPAC does carry out internal monitoring and reporting to some extent but no comprehensive information is found in the databases kept by JPAC. JPAC needs to improve its monitoring procedure and harmonise it with EBRD and EIB requirements.</p>

Conclusions and recommendations

It should be noted that the representatives of JPAC, City of Zenica and Municipality of Zepce have not reported any major issues with regard to the land acquisition process.

The process has been conducted in line with the Law on Expropriation of FBiH, with some flexibility. In general, the provisions of the Law and the good practice of the JPAC, the City of Zenica and the Municipality of Zepce throughout the land acquisition process are broadly compatible with EBRD and EIB requirements with minor gaps identified.

For example, JPAC took into consideration the impacts on livelihoods of 3 PAP who used their land plots for agricultural activities and honey production, and were offered increased compensation.

Another good practice is assistance to vulnerable groups provided by JPAC in practice which is not foreseen by the Law on Expropriation of FBiH.

The conducted analysis indicates that the land acquisition activities have been carried out adequately by the competent authorities; however, some gaps in terms of EBRD and EIB requirements have been identified. It is recommended to perform the following activities in order to avoid identified gaps and potential gaps on other Projects (road sections) financed by EBRD and EIB:

- According to PR5/ESS 6 and the Land Acquisition Framework adopted by JPAC, land acquisition plans in compliance with PR 5/ESS 6 will be developed for each section of the Project that requires the expropriation of land, physical displacement of population, or loss of income due to changes in land use or access to resources. However, **for the section Poprikuse-Nemila, the LARP was not prepared before starting the expropriation, which resulted in carrying out this LAR after almost all land acquisition has been completed.** For future projects sections financed by EBRD and EIB subject to acquisition of land, physical displacement of population, or loss of income, JPAC needs to develop land acquisition plans before starting expropriation and providing compensation to PAPs. This will avoid possible gaps between the land acquisition procedure and EBRD and EIB requirements.

- In case of negotiated settlements for EBRD and EIB financed projects, **JPAC needs to inform the PAPs about their rights to receive compensation at replacement cost** and other assistance intended to restore, and potentially improve, their standards of living and/or livelihoods to pre-displacement levels, **and to provide such compensation to PAPs.**
- Two businesses with business structures on affected land plots were not evaluated by official court experts for economy, therefore the compensation provided to these two businesses did not include losses of income due to relocation. The official authorities have informally stated that the businesses refused such valuation, but this has not been documented. **JPAC together with the Municipality of Zepce should contact the businesses and clarify this issue. If the businesses refuse such valuation, this should be properly documented. Otherwise, an official court expert for economy should be appointed to evaluate the income losses due to relocation of the two businesses.**
- Some respondents in the socio-economic survey stated that they did not receive compensation for crops. To eliminate any doubts, **JPAC should verify and report on payment of compensation for all crops on affected land.** Any inconsistencies in payment packages should be corrected by providing adequate compensation.
- For the evaluation of land and structures in the project areas of EBRD and EIB financed Projects (road sections), **JPAC will give instructions to court experts** on how to write the evaluation of the properties (land and assets on the land):
 - Court experts that will evaluate the land plots will be required to develop a report on the methodology for setting market prices for land to be acquired by JPAC. The report will contain the methodology used and a comparison of prices of land plots in Project affected area and prices of land plots in neighbouring areas. In addition, the report will need to demonstrate that prices for land plots used for calculating compensation will allow PAPs to buy a replacement land plot in neighbouring areas, and covering possible additional costs that may occur during the transaction.
 - Court experts that will evaluate structures (residential or commercial) will be required to add, under item “recapitulation”, future costs associated with asset replacement (notary fees, real estate agency costs, moving allowances etc.) to enable purchase or construction of another similar structure.
- **JPAC needs to establish an operational grievance mechanism for the Section Poprikuse-Nemila**, as required by ESAP and SEP. According to these documents, JPAC and the Contractor(s) will receive and consider all comments and complaints associated with the Project. JPAC needs to ensure that Contractor(s) will be involved in engagement with stakeholders and grievance management. Grievances in relation to construction activities on the Section Poprikuse-Nemila will be addressed by construction contractor(s) and their management will be monitored by JPAC. As stated in ESAP, Contractors (including security personnel) needs to be trained on grievance mechanism. In addition, JPAC needs to establish an operational grievance mechanism for all other Projects (road sections) financed by EBRD and EIB.

In addition to the aforementioned recommendations, it is necessary to improve monitoring and reporting for this road section.

JPAC does carry out internal monitoring and reporting to some extent but no comprehensive information is found in the databases kept by JPAC. Therefore, it is recommended to include a set of specific indicators such as:

- Overall spending on land acquisition and compensation
- Number of PAP
- Number of structures (residential, commercial and auxiliary) identified on affected land plots
- Number of public meetings and consultations with affected people
- Number and percentage of negotiated settlements signed

- Number of persons requesting special assistance and types of assistance provided to vulnerable individuals/households in a timely manner
- Number of people having received compensation in the period with distribution by compensation type and by classes of amounts
- Number and type of grievances, including any court cases related to land acquisition (submitted and resolved and how long it took for them to be resolved)
- Number and amount of payments that restore livelihood loss
- Successful re-establishment of relocated businesses (new location, level of income, number of employees)
 - Successful relocation of households (new location, level of income)
- Successful re-establishment of agricultural activities (level of income)
- Successful re-establishment of agricultural activities after land acquisition (level of income)

JPAC should produce a report based on these indicators, document all the meetings and consultations with minutes and photographs, submit these to EBRD and EIB and publicise the report in a summarised form without confidential information on its website.

ANNEXES

A	Interview Log
B	Questionnaire Used for the collection of Information on the Level of Satisfaction with Land Acquisition Procedure
C	Photographs of Several Affected Properties
D	Summary of Census Database
E	Summary of Socio-economic Survey
F	Summary of the Report on the methodology for setting market prices for land, fruit crops, etc. on the territory of the Cadastre Municipality Golubinja, Zeljezno Polje and Bistrica in the Municipality of Zepce

A. Interview Log

No.	Name of individual	Position	Institution	Date and time of interview	Place of interview	Contact info
1	Azem Zilic	Head of the Department of Property and Legal Affairs	JPAC	Oct 25,2019 at 11:00	Sarajevo, JPAC Headquarter	Phone +387 33 277 919 e-mail: z.azem@jpautoceste.ba
				Nov 23, 2019 at 14:15	Sarajevo, JPAC Headquarter	
2	Ilvana Nuhic-Cengic	Geodetic Engineer Department of Property and Legal Affairs and Expropriation	JPAC	Oct 25,2019 at 11:00	Sarajevo, JPAC Headquarter	Phone +387 33 277 919 e-mail: n.ilvana@jpautoceste.ba
				Nov 22, 2019 at 13:00	Sarajevo, JPAC Headquarter	
3	Imran Colic	Department of Property and Legal Affairs	JPAC	Oct 25,2019 at 11:00	Sarajevo, JPAC Headquarters	Phone: + 387 33 277 919 e-mail: c.imran@jpautoceste.ba
4	Indira Causevic	Expert Advisor in Property Law Department of Property, Legal and Geodetic Affairs	City of Zenica	Nov 22, 2019 at 08:30	Zenica, City of Zenica	Phone: + 387 32 447 678 e-mail: elvedin.sepic@zenica.ba
5	Janja Pranjic	Clerk at the Department of Construction and Spatial Planning	Municipality of Zepce	Nov 22, 2019 at 14:00	Zepce, Municipality of Zepce	Phone: + 387 32 888 600

B. Questionnaire Used for the collection of Information on the Level of Satisfaction with Land Acquisition Procedure

Questionnaire number: _____

Date: _____

Respondent's name and surname: _____

Telephone number: _____

Plot number and location: _____

Size of the expropriated plot (m²): _____

No.	Question	Answer
1.	<p>Are you satisfied with the amount of cash compensation you received?</p> <p>Were you given the opportunity to negotiate about the compensation or it was offered to you as a fixed amount without the possibility of negotiation?</p> <p>Did you use the received compensation to purchase another land plot? If yes, what is the size of the new plot in m² and where is it located?</p>	
2.	Has the expropriated plot been used by anyone else other than the owner?	
3.	<p>Have you used the expropriated land plot for agricultural purposes?</p> <p><i>If NO, go to the next question.</i></p> <p><i>If YES:</i></p> <ul style="list-style-type: none"> - What has been grown on the plot? - Have you used the land plot for your own purposes and/or as a source of income (sale of crops, etc.)? - Have you received any compensation for crops and trees? - Did you continue the agricultural activities elsewhere? (if not, what is the main reason for that?) 	
4.	<p>Have you had any additional losses due to the expropriation?</p> <p>If yeas, have you received any compensation for such losses?</p>	
5.	How many members does your household have?	
6.	Are there any members of the household of expropriated plot user belonging to vulnerable groups (people with disabilities, elderly, chronically ill, etc.)?	
7.	<p>Are you satisfied with the information you were provided with during the process of expropriation?</p> <p><i>If the chosen answer is 1 – go to the next question.</i></p> <p><i>If the chosen answer is 2 or 3 – why are you not satisfied and what do you think could have been done differently?</i></p>	<p>1-completely satisfied</p> <p>2-fairly satisfied</p> <p>3-not at all satisfied</p>
8.	What is your primary source of income? (e.g., employment, pension, etc.)	
9.	Has the expropriation affected the income of your household and how?	<p>1-no</p> <p>2-yes, positively</p> <p>3-yes, negatively</p>

C. Photographs of Several Affected Properties

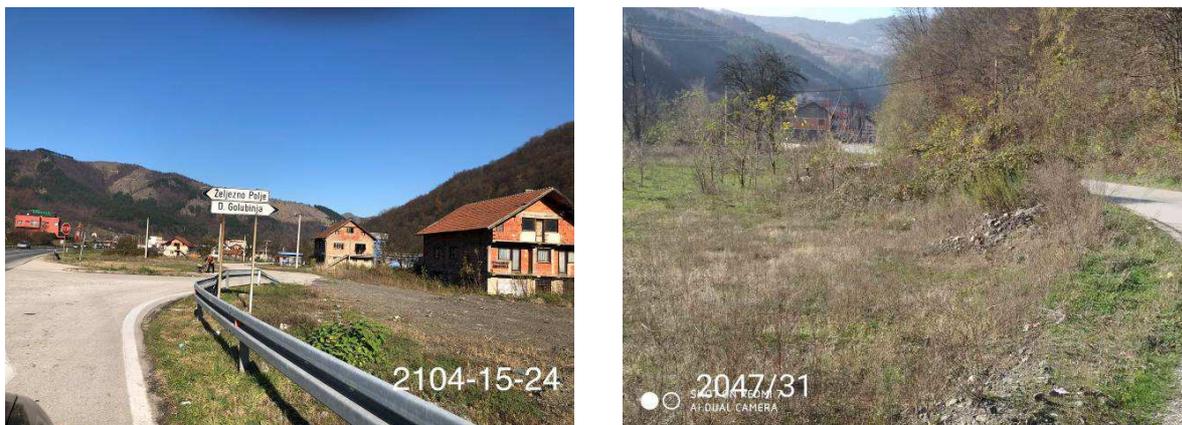


Figure 8: Affected land plots in Zeljezno Polje



Figure 9: Affected land plots Golubinja used for agricultural production



Figure 10: Barn for cattle fattening in Golubinja



Figure 11: Example of houses on affected land plots in Golubinja



Figure 12: Example of demolished residential houses on affected land plots in Kovanici

D. Summary of Census Database

Note: Full data is provided in separate Excel tables, containing confidential information and thus not publicised

No.	Cadastral Municipality	Land plot no.	Public/Private	Type of impact	Total area of plot (m ²)	% affected	Structure (commercial or residential)	Type of land plot	Other assets on acquired land (natural objects)	Other assets on acquired land (auxiliary structure)	Economic/physical displacement	Comments
1	Golubinja	565/22	Private	Entire land plot	1077	100.00%	No	Farm land	2 apple trees and one cherry tree, crops	No	No	Used for agricultural production
2	Golubinja	565/4	Private	Entire land plot	750	100.00%	No	Farm land	No	No	No	No agricultural production
3	Golubinja	561/10	Private	Entire land plot	1214	100.00%	No	Farm land	Crops	No	No	Used for agricultural production
4	Golubinja	565/8	Private	Entire land plot	219	100.00%	No	Farm land	Crops	No	No	Used for agricultural production, acquired according to Article 11 of the Law on Expropriation
5	Golubinja	563/3	Private	Entire land plot	760	100.00%	New house, old house, commercial building	Farm land, house, building and yard	No	No	Physical and economic displacement	No agricultural production
6	Golubinja	562/7	Private	Entire land plot	46	100.00%	No	Farm land	Hay, crops, corn, vegetables and fruits	No	No	Used for agricultural production
7	Golubinja	559/6	Private	Entire land plot	560	100.00%	House and small house	House building and yard	No	AB plateau in front of the building, metal fence	Physical displacement	No agricultural production
8	Golubinja	558/3	Private	Entire land plot	2472	100.00%	No	Farm land and meadow	1 cherry tree, 10 apple trees, 3 pear trees, 1 sour cherry tree, 1 peach tree, 1 aronia bush, 2 shrubs	No	No	Used for agricultural production
9	Golubinja	558/1	Private	Entire land plot	670	100.00%	No	Farm land		No	No	Used for agricultural production, acquired

No.	Cadastral Municipality	Land plot no.	Public/Private	Type of impact	Total area of plot (m ²)	% affected	Structure (commercial or residential)	Type of land plot	Other assets on acquired land (natural objects)	Other assets on acquired land (auxiliary structure)	Economic/physical displacement	Comments
												according to Article 11 of the Law on Expropriation
10	Golubinja	559/5	Private	Entire land plot	570	100.00%	House	House and building	Yard	No	Physical displacement	No agricultural production
11	Golubinja	568/6	Private	Entire land plot	2372	100.00%	Barn for cattle fattening - capacity 18 heads	Commercial building, Land adjacent to the commercial building, Farm land	Crops	AB plateau in front of the building	Economic displacement	Used for agricultural production
12	Golubinja	568/66	Private	Entire land plot	156	100.00%	No	Farm land	Crops	No	No	Used for agricultural production
13	Golubinja	568/67	Private	Entire land plot	1419	100.00%	No	Farm land	One tree of black mulberry, pear, peach, cherry and quince, and crops	No	No	Used for agricultural production
14	Golubinja	608/12	Private	Entire land plot	603	100.00%	No	Farm land	Grass and weeds	No	No	No agricultural production
15	Golubinja	620/252	Private	Entire land plot	160	100.00%	No	Farm land	No	No	No	No agricultural production
16	Golubinja	620/253	Private	Entire land plot	145	100.00%	No	Forest	Beech trees	No	No	No agricultural production
17	Golubinja	620/23	Private	Entire land plot	420	100.00%	No	Forest	No	No	No	No agricultural production, acquired according to Article 11 of the Law on Expropriation

No.	Cadastral Municipality	Land plot no.	Public/Private	Type of impact	Total area of plot (m ²)	% affected	Structure (commercial or residential)	Type of land plot	Other assets on acquired land (natural objects)	Other assets on acquired land (auxiliary structure)	Economic/physical displacement	Comments
18	Golubinja	556/2	Private	Entire land plot	240	100.00%	No	Orchard	One cherry tree, 2 native apple trees	No	No	No agricultural production
19	Golubinja	565/7	Private	Entire land plot	1050	100.00%	No	Farm land	No	No	No	No agricultural production
20	Golubinja	561/16	Private	Entire land plot	1185	100.00%	No	Farm land	One cherry tree, 5 apple trees, 5 plum trees	No	No	No agricultural production
21	Golubinja	620/253	Private	Entire land plot	145	100.00%	No	Forest	Forest trees	No	No	No agricultural production
22	Golubinja	563/9	Private	Entire land plot	59	100.00%	No	Farm land	Raspberries 100 seedlings	No	Economic displacement	Used for agricultural production
23	Golubinja	620/254	Private	Entire land plot	751	100.00%	No	Farm land	No	No	No	No agricultural production
24	Golubinja	620/253	Private	Entire land plot	435	100.00%	No	Forest	No	No	No	No agricultural production
25	Mracaj	906/3	Private	Entire land plot	220	100.00%	No	Farm land	Crops	No	No	Used for agricultural production
26	Zeljezno Polje	2047/30	Private	Entire land plot	938	100.00%	No	Farm land	No	No	No	No agricultural production
27	Zeljezno Polje	2047/31	Private	Entire land plot	212	100.00%	No	Farm land	No	No	No	No agricultural production
28	Golubinja	608/11	Private	Entire land plot	330	100.00%	No	Infertile land	No	No	No	No agricultural production

No.	Cadastral Municipality	Land plot no.	Public/Private	Type of impact	Total area of plot (m ²)	% affected	Structure (commercial or residential)	Type of land plot	Other assets on acquired land (natural objects)	Other assets on acquired land (auxiliary structure)	Economic/physical displacement	Comments
29	Golubinja	568/68	Private	Entire land plot	928	100.00%	No	Farm land	2 William pear trees, 23 apple trees, 6 plum trees, 4 walnut trees, 5 cherry trees, 3 cherry trees, 1 pear tree, 3 pear seedlings, raspberries in a 1000m2 area of about 1200 seedlings, hay production	Irrigation system and pipelines	Economic displacement	Used for agricultural production
30	Golubinja	568/12	Private	Entire land plot	580	100.00%	No	Orchard			Economic displacement	Used for agricultural production
31	Golubinja	568/60	Private	Entire land plot	154	100.00%	No	Meadow	No	No	No	No agricultural production
32	Golubinja	568/3	Private	Entire land plot	1035	100.00%	No	Farm land	4 apple trees, 4 plum trees, 1 cherry tree	No	No	Used for agricultural production
33	Golubinja	568/24	Private	Entire land plot	150	100.00%	No	Orchard		No	No	Used for agricultural production
34	Golubinja	561/18	Private	Entire land plot	1327	100.00%	No	Farm land	5 apples, 1 cherry, 4 plums, Crops vegetables	No	No	Used for agricultural production
35	Golubinja	566/11	Private	Entire land plot	2067	100.00%	No	Farm land	Hay and fruit production, 2 apple trees, 1 plum tree, 1 indigenous pear	No	No	Used for agricultural production
36	Golubinja	566/6	Private	Entire land plot	240	100.00%	No	Orchard		No	No	Used for agricultural production
37	Golubinja	566/1	Private	Entire land plot	498	100.00%	No	Farm land		No	No	Used for agricultural production, acquired according to Article 11 of the Law on Expropriation

No.	Cadastral Municipality	Land plot no.	Public/Private	Type of impact	Total area of plot (m ²)	% affected	Structure (commercial or residential)	Type of land plot	Other assets on acquired land (natural objects)	Other assets on acquired land (auxiliary structure)	Economic/physical displacement	Comments
38	Golubinja	565/20	Private	Entire land plot	1329	100.00%	No	Farm land	No	No	No	No agricultural production
39	Golubinja	565/2	Private	Entire land plot	691	100.00%	No	Farm land	No	No	No	No agricultural production
40	Golubinja	565/1	Private	Entire land plot	1280	100.00%	No	Farm land	No	No	No	No agriculture production
41	Golubinja	565/15	Private	Entire land plot	1220	100.00%	No	Orchard	2 apple trees, 4 walnut trees and 5 plum trees	No	No	Used for agricultural production
42	Golubinja	556/3	Private	Entire land plot	200	100.00%	No	Orchard		No	No	Used for agricultural production
43	Golubinja	562/6	Private	Entire land plot	1181	100.00%	Weekend cottage	Farm land	1 cherry, 1 walnut, 6 apples, 9 plums, 1 pear, 1 quince, 1 cherry seedling, 1 hazelnut bush, 3 raspberry seedlings, 1 blackberry seedlings, 9 rose plants, 2 lilac trees, 2 birch trees, 1 birch tree. Green fence 30 m long	Septic tank, manhole, gate, barbecue with AB plateau	Economic displacement	Used for agricultural production
44	Golubinja	565/10	Private	Entire land plot	3441	100.00%	No	Meadow	No	No	No	No agricultural production
45	Golubinja	620/253	Private	Entire land plot	290	100.00%	No	Forest	Beech trees, trees of other soft and hard woods	No	No	No agricultural production
46	Golubinja	620/253	Private	Entire land plot	145	100.00%	No	Forest	Beech trees, trees of other soft and hard woods	No	No	No agricultural production

No.	Cadastral Municipality	Land plot no.	Public/Private	Type of impact	Total area of plot (m ²)	% affected	Structure (commercial or residential)	Type of land plot	Other assets on acquired land (natural objects)	Other assets on acquired land (auxiliary structure)	Economic/physical displacement	Comments
47	Golubinja	620/175	Private	Entire land plot	1149	100.00%	No	Farm land	7 walnut trees, 2 native Kanjuska apple trees, 6 apple trees	No	No	Used for agricultural production
48	Golubinja	620/176	Private	Entire land plot	770	100.00%	No	Pasture		Part of pipeline for water drainage (46m out of 93m)	No	Used for agricultural production
49	Golubinja	620/253	Private	Entire land plot	145	100.00%	No	Forest	High beech forest	No	No	No agricultural production
50	Golubinja	550	Private	Entire land plot	524	100.00%	No	Farm land	Bees, 2 walnut trees, 9 apple trees, 2 plum trees, 15 plum trees younger	Fence and metal gate, hives with bees	Economic displacement	Used for agricultural production
51	Golubinja	563/12	Private	Entire land plot	399	100.00%	No	Farm land	Hay and fruit, 2 walnut trees, 19 apple trees, 4 plum trees, 40 northern white-cedar trees	No	No	Used for agricultural production
52	Golubinja	565/3	Private	Entire land plot	75	100.00%	No	Farm land	No	No	No	No agricultural production, acquired according to Article 11 of the Law on Expropriation
53	Golubinja	563/13	Private	Entire land plot	233	100.00%	No	Farm land	2 plum trees	No	No	Used for agricultural production
54	Golubinja	563/18	Private	Entire land plot	243	100.00%	No	Farm land	fruit nursery, 8 plum trees	No	No	Used for agricultural production, acquired according to Article 11 of the Law on Expropriation
55	Golubinja	568/61	Private	Entire land plot	254	100.00%	No	Meadow	2 birch trees, 10 dracha trees, 1 pine tree	Concrete pipe sewer, retaining walls	No	No agricultural production
56	Golubinja	568/40	Private	Entire land plot	1112	100.00%	No	Farm land	No	No	No	No agricultural production

No.	Cadastral Municipality	Land plot no.	Public/Private	Type of impact	Total area of plot (m ²)	% affected	Structure (commercial or residential)	Type of land plot	Other assets on acquired land (natural objects)	Other assets on acquired land (auxiliary structure)	Economic/physical displacement	Comments
57	Golubinja	568/41	Private	Entire land plot	150	100.00%	No	Orchard	4 walnut trees	No	No	No agricultural production
58	Golubinja	560	Private	Entire land plot	6620	100.00%	No	Meadow	No	No	No	No agricultural production
59	Golubinja	570/11	Private	Entire land plot	31	100.00%	No	Meadow	No	No	No	No agricultural production
60	Golubinja	552/9	Private	Entire land plot	340	100.00%	No	Orchard	2 plum fruit trees	No	No	No agricultural production
61	Golubinja	558/2	Private	Entire land plot	1070	100.00%	No	Farm land	No	No	NO	No agricultural production
62	Golubinja	568/43	Private	Entire land plot	1580	100.00%	No	Meadow	No	No	No	No agricultural production
63	Golubinja	568/44	Private	Entire land plot	210	100.00%	No	Orchard	1 plum tree, 1 walnut tree	No	No	Used for agricultural production
64	Golubinja	596/2	Private	Entire land plot	310	100.00%	No	Orchard	oats, 20 apple trees, 1 walnut tree and 1 cherry tree. Used for the production of grain and fruit.	No	No	Used for agricultural production
65	Golubinja	568/4	Private	Entire land plot	180	100.00%	No	Orchard	4 plum trees	No	No	Used for agricultural production
66	Golubinja	568/13	Private	Entire land plot	1304	100.00%	No	Meadow	No	No	No	No agricultural production

No.	Cadastral Municipality	Land plot no.	Public/Private	Type of impact	Total area of plot (m ²)	% affected	Structure (commercial or residential)	Type of land plot	Other assets on acquired land (natural objects)	Other assets on acquired land (auxiliary structure)	Economic/physical displacement	Comments
67	Golubinja	565/21	Private	Entire land plot	391	100.00%	No	Orchard	No	No	No	No agricultural production
68	Golubinja	563/13	Private	Entire land plot	318	100.00%	No	Farm land	Crops	No	No	Used for agricultural production, acquired according to Article 11 of the Law on Expropriation
69	Golubinja	565/3	Private	Entire land plot	584	100.00%	No	Orchard	No	No	No	No agricultural production, acquired according to Article 11 of the Law on Expropriation
70	Golubinja	565/6	Private	Entire land plot	1495	100.00%	No	Farm land	Crops, hay production	No	No	Used for agricultural production
71	Golubinja	565/12	Private	Entire land plot	385	100.00%	No	Orchard	4 apple trees and 2 walnut trees	No	No	Used for agricultural production
72	Golubinja	565/23	Private	Entire land plot	177	100.00%	No	Farm land	Crops, hay production	No	No	Used for agricultural production
73	Mracaj	908/2	Private	Entire land plot	694	100.00%	No	Forest	Deciduous tree species, alder and ash	No	No	No agricultural production
74	Mracaj	909/1	Private	Entire land plot	1825	100.00%	No	Meadow	No	No	No	No agricultural production
75	Mracaj	909/2	Private	Entire land plot	675	100.00%	No	Farm land	Raspberry with 1700 seedlings, 120 oak cakes, 16 plum trees, a walnut tree, two homemade apple trees and five cherry trees	Old wooden house	Economic displacement	Used for agricultural production
76	Zeljezno Polje	2140/15	Private	Entire land plot	67	100.00%	No	Access road	No	Access road	No	

No.	Cadastral Municipality	Land plot no.	Public/Private	Type of impact	Total area of plot (m ²)	% affected	Structure (commercial or residential)	Type of land plot	Other assets on acquired land (natural objects)	Other assets on acquired land (auxiliary structure)	Economic/physical displacement	Comments
77	Zeljezno Polje	2140/24	Private	Entire land plot	540	100.00%	No	Infertile land	No	Gravel embankment, drainage	No	
78	Zeljezno Polje	2140/14	Private	Entire land plot	1460	100.00%	No	Infertile land	No	No	No	Acquired according to Article 11 of the Law on Expropriation
79	Golubinja	556/1	Private	Entire land plot	290	100.00%	No	Orchard	No	No	No	No agricultural production
80	Golubinja	565/24	Private	Entire land plot	825	100.00%	No	Meadow	No	No	No	No agricultural production
81	Golubinja	565/14	Private	Entire land plot	1170	100.00%	No	Farm land	Crops	No	No	Used for agricultural production
82	Golubinja	565/16	Private	Entire land plot	140	100.00%	No	Farm land	Crops	No	No	Used for agricultural production
83	Golubinja	565/18	Private	Entire land plot	40	100.00%	No	Orchard	No	No	No	No agricultural production
84	Golubinja	565/25	Private	Entire land plot	92	100.00%	No	Orchard	No	No	No	No agricultural production
85	Golubinja	565/11	Private	Entire land plot	243	100.00%	No	Meadow	No	No	No	No agricultural production, acquired according to Article 11 of the Law on Expropriation
86	Golubinja	561/11	Private	Entire land plot	1174	100.00%	No	Farm land	Hay and crops	No	No	Used for agricultural production, acquired according to Article 11 of the Law on Expropriation

No.	Cadastral Municipality	Land plot no.	Public/Private	Type of impact	Total area of plot (m ²)	% affected	Structure (commercial or residential)	Type of land plot	Other assets on acquired land (natural objects)	Other assets on acquired land (auxiliary structure)	Economic/physical displacement	Comments
87	Golubinja	561/2	Private	Entire land plot	252	100.00%	No	Farm land	Hay and crops	No	No	Used for agricultural production, acquired according to Article 11 of the Law on Expropriation
88	Golubinja	565/17	Private	Entire land plot	95	100.00%	No	Orchard	Apple tree, 2 walnut trees, 7 plum trees	No	No	Used for agricultural production, acquired according to Article 11 of the Law on Expropriation
89	Golubinja	549/5	Private	Entire land plot	3714	100.00%	No	Farm land	No	No	No	No agricultural production
90	Golubinja	2140/23	Private	Entire land plot	303	100.00%	No	Infertile land	No	No	No	Acquired according to Article 11 of the Law on Expropriation
91	Golubinja	2140/22	Private	Entire land plot	2064	100.00%	No	Infertile land	No	No	No	No agricultural production
92	Golubinja	2140/9	Private	Entire land plot	720	100.00%	House	Yard	No	No	Physical displacement	No agricultural production, acquired according to Article 11 of the Law on Expropriation
93	Golubinja	2133/18	Private	Entire land plot	278	100.00%	No	Farm land	Crops	No	No	Used for agricultural production
94	Golubinja	2133/6	Private	Entire land plot	1662	100.00%	House, old house	Farm land	Orchard (home-made apple tree, 1 home-made pear tree, 8 plum trees), Crops	Multipurpose building, old barn	Physical displacement	Used for agricultural production, acquired according to Article 11 of the Law on Expropriation
95	Zeljezno Polje	2140/25	Private	Entire land plot	120	100.00%	No	Infertile land	No	No	No	
96	Zeljezno Polje	2140/10	Private	Entire land plot	241	100.00%	No	Infertile land	No	No	No	Acquired according to Article 11 of the Law on Expropriation

No.	Cadastral Municipality	Land plot no.	Public/Private	Type of impact	Total area of plot (m ²)	% affected	Structure (commercial or residential)	Type of land plot	Other assets on acquired land (natural objects)	Other assets on acquired land (auxiliary structure)	Economic/physical displacement	Comments
97	Kovanici	25	Private	Entire land plot	997	100.00%	Demolished house	Meadow and yard	Orchard (1 cherry tree, 2 apple trees, 1 pear tree and 1 plum tree)	No	No	No agriculture production
98	Kovanici	26	Private	Entire land plot	1376	100.00%	No	Meadow	No	No	No	No agriculture production
99	Kovanici	63	Private	Entire land plot	985	100.00%	No	Meadow	Meadow overgrown with shrubs and in neglected condition	No	No	No agriculture production
100	Kovanici	24	Private	Entire land plot	421	100.00%	Demolished house	Meadow	No	No	No	No agriculture production
101	Kovanici	23	Private	Entire land plot	1087	100.00%	No	Meadow	No	No	No	No agriculture production
102	Kovanici	45/1	Private	Entire land plot	1006	100.00%	No	Farm land	1 walnut tree and seeded corn	No	No	Used for agricultural production
103	Kovanici	46	Private	Entire land plot	1011	100.00%	No	Orchard		No	No	Used for agricultural production
104	Kovanici	48	Private	Entire land plot	1584	100.00%	No	Farm land		No	No	Used for agricultural production
105	Kovanici	57	Private	Entire land plot	1068	100.00%	No	Meadow	No	No	No	No agricultural production
106	Kovanici	22	Private	Entire land plot	962	100.00%	No	Farm land	No	No	No	No agricultural production
107	Kovanici	50	Private	Entire land plot	953	100.00%	No	Farm land	No	No	No	No agricultural production

No.	Cadastral Municipality	Land plot no.	Public/Private	Type of impact	Total area of plot (m ²)	% affected	Structure (commercial or residential)	Type of land plot	Other assets on acquired land (natural objects)	Other assets on acquired land (auxiliary structure)	Economic/physical displacement	Comments
108	Kovanici	28/2	Private	Entire land plot	960	100.00%	Demolished house	Residential building & yard, pasture	Orchard (1 apple tree, 1 cherry tree, 1 plum tree, 2 pear trees and 1 white plum tree)	No	No	Used for agricultural production
109	Kovanici	28/1	Private	Entire land plot	199	100.00%	No	Pasture	No	No	No	No agricultural production, acquired according to Article 11 of the Law on Expropriation
110	Kovanici	43/1	Private	Entire land plot	855	100.00%	No	Farm land	Weeds	No	No	No agricultural production
111	Kovanici	64	Private	Entire land plot	1043	100.00%	No	Meadow	Weeds	No	No	No agricultural production
112	Kovanici	61	Private	Entire land plot	1932	100.00%	No	Farm land	Seeded corn and weed	No	No	Used for agricultural production
113	Kovanici	42/3	Private	Entire land plot	614	100.00%	No	Meadow	No	No	No	No agricultural production
114	Kovanici	42/1	Private	Entire land plot	104	100.00%	No	Meadow	No	No	No	No agricultural production, acquired according to Article 11 of the Law on Expropriation
115	Kovanici	37/4	Private	Entire land plot	759	100.00%	No	Farm land	No	No	No	No agricultural production
116	Kovanici	62	Private	Entire land plot	782	100.00%	No	Meadow	Weeds	No	No	No agricultural production
117	Kovanici	41/2	Private	Entire land plot	681	100.00%	No	Meadow	Weeds	No	No	No agricultural production

No.	Cadastral Municipality	Land plot no.	Public/Private	Type of impact	Total area of plot (m ²)	% affected	Structure (commercial or residential)	Type of land plot	Other assets on acquired land (natural objects)	Other assets on acquired land (auxiliary structure)	Economic/physical displacement	Comments
118	Kovanici	60	Private	Entire land plot	1254	100.00%	No	Farm land	No	No	No	No agricultural production
119	Kovanici	44/1	Private	Entire land plot	1317	100.00%	No	Farm land	Seeded corn and weed	No	No	Used for agricultural production
120	Kovanici	49	Private	Entire land plot	1786	100.00%	No	Farm land	Seeded corn and weed	No	No	Used for agricultural production
121	Kovanici	51	Private	Entire land plot	1826	100.00%	No	Farm land	Weeds	No	No	No agricultural production
122	Kovanici	59	Private	Entire land plot	1635	100.00%	No	Meadow	Weeds	No	No	No agricultural production
123	Kovanici	56/2	Private	Entire land plot	743	100.00%	No	Meadow	Weeds	No	No	No agricultural production
124	Kovanici	58/2	Private	Entire land plot	616	100.00%	No	Meadow	Weeds	No	No	No agricultural production
125	Kovanici	55/2	Private	Entire land plot	927	100.00%	No	Meadow	Weeds	No	No	No agricultural production
126	Kovanici	12/9	Public	Entire land plot	8198	100.00%	No	Forest	Forest	No	No	No agricultural production
127	Kovanici	27	Public	Entire land plot	611	100.00%	No	Creek	Creek	No	No	
128	Kovanici	47	Public	Entire land plot	552	100.00%	No	Access road	No	Access road	No	

E. Summary of Socio-economic Survey

Note: Full data is provided in separate Excel tables, containing confidential information and thus not publicised

No.	Cadastral Municipality	Land plot no.	Satisfaction with the amount of cash compensation (Yes/No/Other)	Given the opportunity to negotiate about the compensation (Yes/No/Other)	Expropriated land used by someone other than the owner (Yes/No/Other)	Expropriated land used for agriculture purposes (Yes/No)	If yes, agricultural products on land plots	If yes, Land plot used for own purposes or for income	If Yes, compensation obtained for agricultural products (Yes/No)	Additional losses due to expropriation (Yes/No)	Number of owner's members	Household members belong to the vulnerable groups (Yes/No)	Satisfaction with the information provided during expropriation (Completely satisfied/Fairly satisfied/ Not at all satisfied)	Owner's primary source of income	Impact of expropriation on household's income (No/Yes, positive/ Yes, negative)
1	Kovanici	42/3, 42/1	Yes	No	Yes	Yes	Plum	Own purposes	No	No	4	No	Completely satisfied	Employment	Yes, positive
2	Kovanici	62	Yes	No	No	Yes		Own purposes	No	No	5	No	Completely satisfied	Employment	Yes, positive
3	Kovanici	28/2, 43/1, 64, 28/1	No	Yes	No	Yes	Corn, wheat	Own purposes	No	No	2	No	Not at all satisfied	Pension	No
4	Golubinja	2133/18	Yes	Yes	No	Yes	Field and orchard	Own purposes	Yes	No	2	Yes	Completely satisfied	Pension	No
5	Golubinja	568/68 568/12	No	Yes	No	Yes	Raspberries and fruits	One part for own purposes and the other part for income	Yes	No	5	No	Fairly satisfied	Employment	Yes, negative
6	Golubinja	620/253	Yes	Yes	No	No				No	2	No	Completely satisfied	Pension	No
7	Golubinja	561/18	No	Yes	No	Yes	Vegetables and fruits	Own purposes	Yes	No	2	No	Not at all satisfied	Pension	Yes, negative
8	Golubinja	561/18	Yes	Yes	No	Yes	Orchard	Own purposes	Yes	No	4	No	Completely satisfied	Employment	No
9	Golubinja	563/3, 562/7	No	No	Yes	Yes	Greenhouse (peppers and tomatoes)	Own purposes	No	No	5	No	Fairly satisfied	Employment	Yes, negative
10	Golubinja	568/6	Yes	No	No	Yes	Corn	Own purposes	Yes	No	5	No	Completely satisfied	Employment	Yes, positive
11	Golubinja	568/43, 568/44	Yes	No	No	Yes	Corn	Own purposes	No	Yes	4	Yes	Fairly satisfied	Employment	Yes, positive
12	Golubinja	562/6	No	No	No	Yes	Vegetables and fruits	One part for own purposes and the other part for income	No	Yes	4	No	Completely satisfied	Pension	Yes, negative
13	Mrcaj	906/3	Yes	Yes	No	Yes	Raspberries, plums and	Own purposes	Yes	No	2	No	Completely satisfied	Unemployed	Yes, positive

							blackberries									
14	Golubinja	568/67	Yes	No	No	Yes	Fruits, corn, potatoes, onions	Own purposes	Yes	No	4	No	Completely satisfied	Employment	No	
15	Golubinja	563/9	No	Yes	No	Yes	Strawberries and raspberries	Own purposes	Yes	No	4	No	Fairly satisfied	Agriculture	Yes, negative	
16	Golubinja	2133/18 2133/6	Yes	No	No	Yes	Potatoes and corn	Own purposes	Yes	No	5	Yes	Completely satisfied	Pension	No	
17	Golubinja	558/3, 558/1, 559/5	Yes	No	No	Yes	Apples, potatoes and onions	Own purposes	Yes	No	5	No	Completely satisfied	Employment	Yes, positive	
18	Golubinja	559/6	Yes	Yes	No	No				No	4	No	Completely satisfied	Employment	Yes, positive	
19	Golubinja	550	Yes	Yes	No	Yes	Orchard	Own purposes	Yes	No	3	No	Completely satisfied	Pension	No	
20	Golubinja	620/253	Yes	No	No	No				No	2	Yes	Completely satisfied	Pension	Yes, positive	
21	Golubinja	563/13, 563/18	No	No	No	No				No	Does not want to answer	No	Completely satisfied	Employment	Yes, positive	
22	Kovanici	56/2, 58/2, (56/1), (58/1)	Yes	No	Does not know	No				No	Does not want to answer	Does not know	Completely satisfied	Employment	No	
23	Kovanici	563/12, 565/3	Yes	Yes	No	Yes	Orchard	Own purposes	Yes	No	4	No	Completely satisfied	Employment	No	
24	Kovanici	51, 59	Yes	Yes	No	No				No	4	No	Completely satisfied	Did not answer	Yes, positive	
25	Kovanici	44/1 49	Yes	Yes	Yes, by other people for no charge	Yes	Does not know	Own purposes	Yes	No	5	No	Completely satisfied	Employment	Yes, positive	
26	Kovanici	55/2	Yes	Yes	Arbitrarily used by other people for transport	No				No	4	No	Completely satisfied	Pension	Yes, positive	
27	Kovanici	61	Yes	No	No	Yes	corn, bean, pumpkin	Own purposes	No	No	6	Yes	Fairly satisfied	Mother's disability pension	Yes, positive	
28	Kovanici	25, 26, 63	Yes	Yes	Yes	Yes	corn, plums, clover	Own purposes	Yes	No	4	Yes	Not at all satisfied	Employment	Yes, positive	
29	Kovanici	22, 50	Did not yet received compensation	No	No	Yes	corn, clover, wheat	Own purposes	No	No	7	No	Fairly satisfied	Pension	No	
30	Kovanici	23, 45/1, 46, 48, 57		No	Yes	Yes	Orchard, corn, wheat	Own purposes	Yes	No	2	Yes	Fairly satisfied	Registered at the bureau of labor	No	
31	Golubinja	556/2,	Yes	No	No	Yes	Corn, wheat,	Own purposes	Yes	No	5	Yes	Completely	Employment	Yes, positive	

		565/7, 561/16, 620/253					tomato, walnuts, apples						satisfied	t	
32	Golubinja	556/2, 565/7, 561/16, 620/253	Yes	No	No	Yes	Tomato, pepper	Own purposes	No	No	4	No	Not at all satisfied	Employment	Yes, positive
33	Kovanici	41/2, 60, (41/1)	Yes	No	No	No				No	3	No	Completely satisfied	Pension	No
34	Kovanici	62	No	Yes	No	No				No	7	No	Completely satisfied	Employment	No

F. Summary of the Report on the methodology for setting market prices for land, fruit crops, etc. on the territory of the Cadastre Municipality Golubinja, Zeljezno Polje and Bistrica in the Municipality of Zepce

Valuation of land

The valuation of property is done to determine its value at the present moment in view of possible future impacts. In general, market value of the property is expressed as the price in the area where expropriation takes place, which can be achieved at the market for a particular property and depends on the supply-demand ratio at the time of its establishment. The assumption is that the market value is most closely approximated to fair compensation as this provides for the possibility of purchasing other land of such or similar characteristics. Market value can be influenced by different, sometimes non-economic factors. Before establishing the value of a property, it is necessary to determine which methodology will be used. The most commonly used methodologies for assessing the property value are:

- Cost methodology, methodology of determining actual value or static methodology,
- Comparative methodology or value comparison methodology,
- Capitalization of profit, ie. methodology evaluating the yield or dynamic methodology.

For the purpose of determining the price of land in the Municipality of Zepce, the comparative methodology was used.

For determination of compensation for expropriated land plots in Zepce, the independent court agricultural expert used the information on market prices for land plots in Cadastre Municipalities of Golubinja and Zeljezno Polje, as well as Cadastre Municipality of Bistrica as neighbouring cadastre municipality, provided by the Real Estate Valuation Commission of the Municipality of Zepce. The court expert took also into consideration the Letter from this Commission No.01-31-321-77/18 on pricing agricultural land in Cadastre Municipalities of Golubinja, Zeljezno Polje and Mracaj in the range of BAM 10.00 - 20.00 per m².

According to information on market prices for land plots provided by the Real Estate Valuation Commission, the average market price per m² of land in Cadastre Municipality of Golubinja is BAM 2.96 (with a range of BAM 0.90 – 13.50 per m²), the average market price per m² of land in Cadastre Municipality of Zeljezno Polje is BAM 2.38 (with a range of BAM 0.90 – 10.30 per m²), and the average market price per m² of land in Cadastre Municipality of Bistrica is BAM 1.89 (with a range of BAM 1.00 – 10.00 per m²).

The mentioned market prices for land plots located in Zeljezno Polje and Golubinja are low and compensation based on such prices would not allow PAPs to buy a new land plot in neighbouring cadastral municipalities where market prices for land plots are higher. For this reason market prices proposed by the court expert in Golubinja and Zeljezno Polje were not the average market prices for m² of agricultural land in these cadastre municipalities. The proposed prices were the highest among the ones proposed by the Real Estate Valuation Commission of the Municipality of Zepce (BAM 20.00 per m² of land as starting point), and even higher than average market prices for other municipalities (such as Bistrica).

These prices determined by the court expert for the land plots in Golubinja and Zeljezno Polje include future costs that may occur when buying another replacement land plot (notary fees, real estate agency costs, etc.). The market price proposed by the court expert allows to PAPs to buy another land plot in other locations near the urban area of Zepce, where the price of land is higher than in Golubinja and Zeljezno Polje. It is important to highlight that PAPs in Zepce (as well as in Zenica) were exempted from paying on real estate transactions when buying a new real estate (land plot, house, etc.). According to Article 6 of the Law on Taxes on Real Estate Transactions of Zenica-Doboj Canton (Official Gazette of Zenica-Doboj Canton, No. 6/09) people affected by land acquisition are exempted from paying taxes during the transactions of real estate.

Valuation of fruit trees

Estimation of the value of fruit trees was calculated taking into consideration the expert evaluation of the fruit tree condition, its assortment, planting conditions, current condition, etc. Subsequently, total revenue was calculated, from which production costs for each crop were deducted. The net profit obtained from each crop was calculated with a turnover coefficient determined for each crop separately.

In determining the amount of yields and prices of fruit crops, the expert used official statistics for 2018, official data from the calculation of gross value added in agriculture for the municipality of Zepce for 2018, collected information on the field (town market in Zepce) and on Internet, and took into account the opinions of other permanent court experts from the territory of Bosnia and Herzegovina, his own experience gained in previous expert valuations of complete land acquisition.

Valuation of flowers, horticultural and ornamental crops

The valuation of flowers and ornamental crops was calculated by taking into consideration the expert evaluation of its appearance, condition, assortment, conditions of care and applied agrotechnics, current state, etc. After that, counting, recording and classification into appropriate groups were performed for easier calculation and better transparency. The cultivation costs were then estimated for each of these crops, individually and by group, and the amount obtained was multiplied by the appropriate factor corresponding to each crop individually.