Resettlement Policy Framework

Strategic Gas Infrastructure Component

Serbia Gas Sector Development Multi-Phase Programmatic Approach (SGSD MPA) — Phase 1

Operation ID	P516640
Acronym	SGIIS
Implementing Agency	Ministry of Mining and Energy, Republic of Serbia
Total Project Cost	USD 197 million
ESF Instrument	Environmental and Social Framework (ESF) — ESS5
Document Status	Draft for Review — July 2026

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Abbreviations and Acronyms

AERS	Energy Agency of the Republic of Serbia
EMA	Environmental Management Act
ESF	Environmental and Social Framework (World Bank)
ESS	Environmental and Social Standard
GBV	Gender Based Violence
GRM	Grievance Redress Mechanism
GoS	Government of Serbia
IDA	International Development Association
IPF	Investment Project Financing
MoME	Ministry of Mining and Energy, Republic of Serbia
MPA	Multi-Phase Programmatic Approach
NGO	Non-Governmental Organization
PAH	Project-Affected Household
PAP	Project-Affected Person
PDO	Project Development Objective
PIU	Project Implementation Unit
RAP	Resettlement Action Plan
RCS	Replacement Cost Study
RGA	Republic Geodetic Authority
Roma	Roma community (ethnic minority group)
ROW	Right of Way
RPF	Resettlement Policy Framework
RSD	Serbian Dinar
SEA	Sexual Exploitation and Assault
SGSD	Serbia Gas Sector Development
SGIIS	Strategic Gas Infrastructure and Institutional Strengthening (Project, Phase I)
SH	Sexual Harassment
ToR	Terms of Reference
USD	United States Dollar
VMRS	Valve, Metering and Regulation Station
WB	World Bank

Executive Summary

Project Overview

This Resettlement Policy Framework (RPF) has been prepared for the Strategic Gas Infrastructure Component (Component 1) of the Serbia Strategic Gas Infrastructure and Institutional Strengthening Project (SGIIS, P516640), notably Phase I, of the Serbia Gas Sector Development Multi-Phase Programmatic Approach (SGSD MPA) and then associated later Phases II and III under World Bank funding. The project is financed by the World Bank (IDA) and implemented by the Ministry of Mining and Energy (MoME) of the Republic of Serbia, with an estimated total project cost of USD 197 million.

Purpose and Scope

This RPF establishes the principles, policies, and procedures for managing land acquisition, restrictions on land use, and involuntary resettlement arising from Component 1 activities under Phase I. It applies a programmatic, policy-based approach that also extends to the anticipated land acquisition and resettlement impacts of the future Phase II and III investments under the wider SGSD MPA. It is prepared in accordance with the World Bank Environmental and Social Framework (ESF), specifically Environmental and Social Standard 5 (ESS5) on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement. The RPF applies because subproject locations, alignments, and detailed design footprints are not yet fully defined at the time of project appraisal.

Anticipated Resettlement Impacts

Component 1 will involve construction and installation of gas transmission pipelines, compressor stations, valve and metering stations, and potential gas storage facility expansion. The principal resettlement risks are economic displacement — particularly loss of agricultural crops, perennial plants, and temporary loss of land access during construction — rather than physical relocation of households. For Phase I, a route alternatives exercise has confirmed that the current alignment avoids physical displacement, although economic displacement cannot be avoided: an estimated 3,000 land plots are expected to be affected, principally through crop and income losses and through temporary or permanent restrictions on land use within the pipeline right-of-way. Physical displacement remains possible at above-ground facility sites across all phases and, given denser settlement and more intensive commercial agriculture along parts of the corridor, is comparatively more likely under Phases II and III; the scale of impacts for these future phases will be confirmed during detailed design.

Legal Framework and Gap Filling

The RPF undertakes a gap analysis between Serbian expropriation law and ESS5 requirements. Key gaps relate to compensation at full replacement cost (cadastral valuations may fall short), absence of provisions for non-titled and informal users, and the lack of mandatory livelihood restoration, transition assistance, and monitoring requirements under Serbian law. This RPF and subsequent RAPs will apply the higher ESS5 standard wherever such gaps exist.

Key Principles

The RPF is governed by eight core principles: (i) avoid and minimise land acquisition through design; (ii) compensate all affected assets at full replacement cost; (iii) ensure eligibility for all affected persons regardless of tenure status; (iv) complete compensation before civil works commence on affected land; (v) ensure no net loss of livelihoods; (vi) consult affected persons meaningfully; (vii) provide additional assistance to vulnerable groups; and (viii) ensure gender-sensitive access to entitlements.

RAP Preparation and Disclosure

Site-specific Resettlement Action Plans (RAPs) will be prepared for each Component 1 subproject once designs are sufficiently advanced to confirm land requirements. Each RAP must be reviewed and cleared by the World Bank before civil works commence on affected parcels. Consistent with Section 11.5 of this RPF, this RPF will be disclosed on the World Bank external website and the MoME website, and a Serbian-language summary will be disclosed locally, in each case prior to appraisal. Each subsequent RAP will likewise be disclosed to affected communities in Serbian before implementation.

1. Introduction and Background

1.1 Background on the Serbia Gas Sector Development MPA

The Serbia Gas Sector Development Multi-Phase Programmatic Approach (SGSD MPA) is a three-phase program supported by the World Bank to modernise, diversify, and strengthen the resilience of Serbia's natural gas sector. The MPA addresses critical gaps in gas transmission infrastructure, regulatory capacity, and energy security.

- Phase I — SGIIS (P516640): Focuses on relieving physical infrastructure bottlenecks in the gas transmission system and strengthening institutional and regulatory frameworks. Estimated project cost: USD 197 million. Board approval anticipated: 17 July 2026.
- Phases 2 and 3: Conceptual at this stage but to be defined at future stages, conditional on Phase I performance and evolving sector priorities.

1.2 Purpose of this RPF

This document constitutes a Resettlement Policy Framework (RPF) prepared for Serbia Gas Sector Development Program (SGSDP), consistent with requirements of the World Bank Environmental and Social Framework. Its fundamental purpose is to establish terms of agreement between relevant authorities in Serbia, notably the Ministry of Mining and Energy as the implementing agency, and the World Bank regarding principles and procedures to be used in subsequent preparation of a Resettlement Action Plan (RAP) or Resettlement Action Plans (RAPs). World Bank approval of a RAP (or RAPs) is required before project authorities invite bids for any contracts in which works are expected to involve physical or economic displacement because of land acquisition or restrictions on access or use of natural resources.

The RPF is intended to avoid or minimize any adverse impacts associated with physical or economic displacement, and to ensure arrangements are in place to mitigate any adverse impacts that may occur. The Serbian Government hereby agrees to apply the principles, procedures, and standards incorporated in ESS5 of the World Bank ESF if obtaining any sites for project use would cause economic displacement or physical displacement.

This RPF is intended to utilize the existing legal and policy framework in Serbia, incorporating any supplementary measures necessary to achieve consistency with ESS5 principles and standards.

1.3 Scope of Application

This RPF applies to all activities under the Strategic Gas Infrastructure Component that involve:

- Permanent land acquisition (pipeline rights-of-way, compressor stations, valve stations, metering/regulation stations, storage facility expansion)

- Temporary land use during construction (lay-down areas, construction camps, access roads)
- Restriction of access to land or resources
- Physical displacement of households
- Economic displacement (loss of crops, trees, livelihoods, businesses)

This RPF does not apply to Component 2 (Institutional Strengthening) unless physical activities trigger land use.

1.4 Methodology for RPF Preparation

The RPF has been prepared through:

- Review of World Bank ESF and ESS5 requirements
- Review of applicable Serbian legislation on expropriation, energy, land use, and property
- Literature and document review of the proposed project socio-economic and physical landscape.
- Consultations with the Ministry of Mining and Energy (MoME), relevant public enterprises (Srbijagas, EPS), and other stakeholders
- Desk review of similar gas infrastructure projects in Serbia and the Western Balkans region
- Site visits to verify and ground truth the core issues and items identified during the document and literature reviews.

1.5 Structure of the Document

This RPF is structured as follows: Section 2 describes the project; Section 3 assesses potential resettlement impacts; Section 4 analyses the legal and policy framework; Section 5 sets out resettlement principles; Sections 6–8 address eligibility, valuation, and entitlements; Sections 9–10 cover survey procedures and resettlement planning; Sections 11–12 address consultation, participation, and grievance redress; Sections 13–15 cover implementation arrangements, monitoring, and budget; and Section 16 lists the Annexes.

2. Project Description

2.1 Program Development Objective

The objective of the Serbia Gas Sector Development Program (SGSDP) is to strengthen Serbia's energy security and system resilience, supporting the country's energy transition and strategic role in regional gas transit.

Building on priorities set out in Serbia's National Energy and Climate Plan (NECP, 2024), Country Climate and Development Report (CCDR, 2024), and Energy Sector Development Strategy (ESDS, 2024), the SGSDP will support expansion and modernization of gas infrastructure and development of the institutional framework required to manage it effectively. The SGSDP is expected to improve affordability and reliability of gas supply by expanding access to multiple sources, increasing inland transmission capacity, and enabling more competitive market conditions. It will also reinforce Serbia's role as a key gas transit corridor in Southeast Europe.

Specifically, the proposed Strategic Gas Infrastructure and Institutional Strengthening (SGIIS) Project ("Project", P516640) as Phase I of SGSDP will finance the construction of a new Trupale–Pojate inland gas pipeline and support institutional development. By removing a critical bottleneck in Serbia's central transmission backbone toward the Hungarian border, the Project will increase the system's ability to transport gas from the Bulgaria–Serbia Interconnector (IBS) to central and northern demand centers. This will improve access to alternative supply sources, including piped Azerbaijani gas delivered through the Southern Gas Corridor and Liquefied Natural Gas (LNG) imported via Greece. In parallel, the Project will finance technical assistance to build the capacity of key sector institutions, establish a Project Implementation Unit (PIU), and prepare the technical, design, environmental, and social studies and related assessments required for implementation of all SGSDP, including Phase I.

Phase I is designed to address the most immediate constraint in Serbia's gas transmission system while establishing the institutional and technical foundation for the broader program. It will finance: the construction of the Trupale-Pojate section (62 km), the first subsection of the broader Trupale-Veliko Orašje high-pressure inland gas pipeline, which is essential to increase inland transmission capacity and improve the utilization of gas flows from the IBS. Phase I will likely result in economic displacement and temporary or permanent restrictions on predominantly small- to medium-scale commercial farming. Construction activity will disrupt agricultural activity. The impact, if it coincides with active growing seasons, could be substantial. Given the rural nature of the area, activity is likely to be intrusive and may require temporary resettlement of farmsteads. Further development rights on impacted land, as per the servitude, will potentially be restricted (See Figure 1). Investments under future phases will also likely result in economic displacement and temporary or permanent restrictions on land use as well as having the potential for physical displacement. Core elements of the ESF risk-based approach as set out in ESS5 requirements are not required under Serbian normative practice.

It must be noted that the RPF has developed a policy-based approach to cover the full multi-phase program. Potential displacement risks and impacts for Phase I, Phase II and Phase III are to be considered under the RPF. Legacies and lessons learned from previous land acquisition and displacement from the current project are explored in the RPF.

Phase II will build on the initial investment by completing the central inland transmission corridor and strengthening the operational performance of the system. It will finance the construction of the Pojate-Veliko Orašje section (approximately 80 km), thereby completing the full 140 km inland transmission corridor; and (ii) a new gas compressor station-either in Trupale or Batočina-with an indicative capacity of 20 MW, subject to confirmation through hydraulic analysis. Phase III is intended to address the remaining strategic gaps in Serbia's gas system by expanding northern connectivity and increasing storage resilience. It will finance the construction of a new approximately 150 km inland gas pipeline linking the future Romania–Serbia interconnector entry point at Mokrin to Belgrade south, via Banatski Dvor, Itebej, and Pančevo, thereby improving access to major industrial demand centers, enhancing network redundancy, and replacing aging infrastructure. Phase III will also finance the development of the Tilva underground gas storage facility, with a planned capacity of up to 0.5 bcm; and (iii) the construction of a 30 km access pipeline connecting the storage site to the inland transmission corridor.

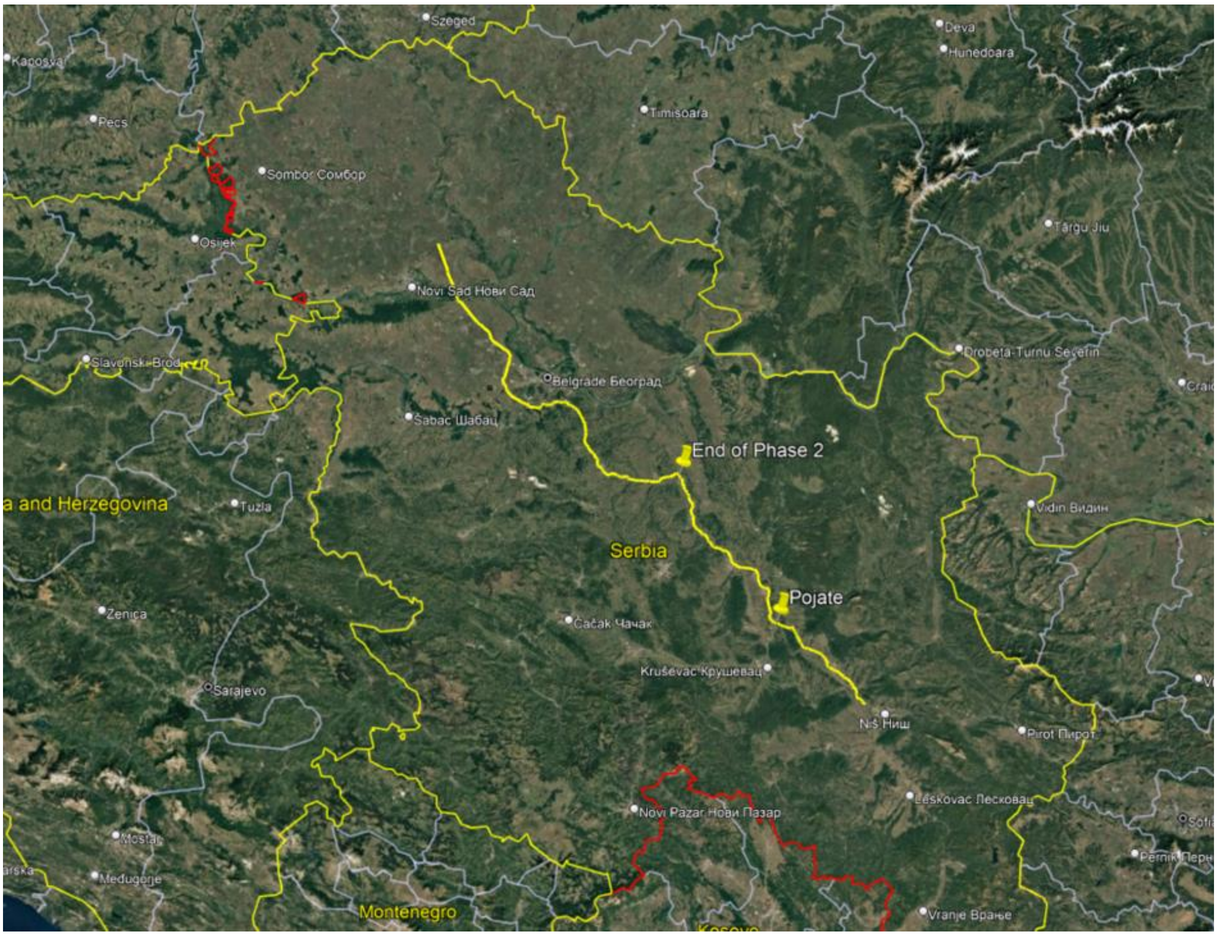

Figure 1: Indicative position of the proposed pipelines within Serbia

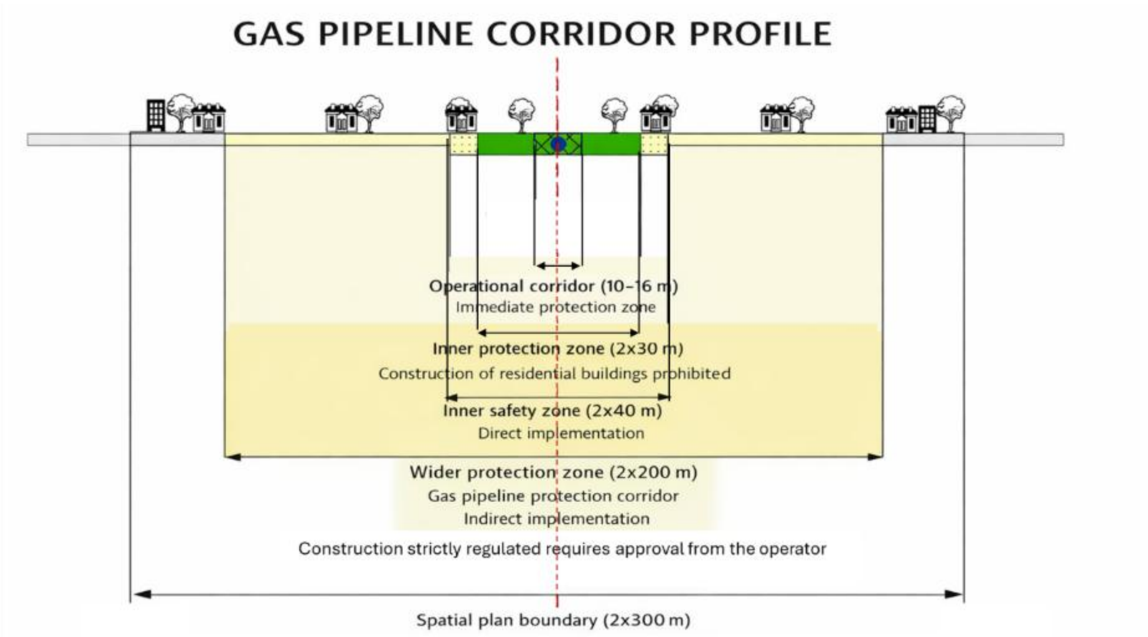

Figure 2: Envisaged land restriction on land impacted by the Pipeline

2.2 Land Requirements

Component 1 activities will require two categories of land rights: permanent rights and temporary use rights. The nature, duration, and legal instrument for each category differ and have direct implications for compensation entitlements under this RPF.

Permanent land rights. For gas transmission pipelines, the standard legal instrument under Serbian law is an incomplete expropriation establishing a permanent easement (servitude) over the pipeline right-of-way (ROW) corridor. Under Article 53 of the Law on Expropriation, ownership of the land remains with the registered owner while the gas-sector entity to be designated by the Government as the expropriation beneficiary / asset owner acquires the right to construct, operate, inspect, and maintain the pipeline. Within the ROW strip — typically 7.5m on each side of the pipeline centreline for high-pressure transmission pipelines — an **Operational Corridor/Maintenance Strip** is declared with permanent restrictions on construction, deep ploughing, planting of perennial crops with deep root systems, and other activities that could compromise pipeline integrity will apply for the operational life of the infrastructure. Shallow-rooted agricultural cultivation between maintenance events will generally remain permitted within the ROW, subject to the terms of the individual servitude agreement. If the pressure is 75 bar or above, the width of that zone is 15 meters on both sides of the pipeline centerline. In addition, the **Restricted Building Zone/Inner Protection Zone** is also declared. This defines the area where future construction will be prohibited. For this diameter and a pressure up to 55 bar, it is 30 meters on each side of the pipeline centerline. For above-ground facilities — compressor stations, valve and metering and regulation stations (VMRS), and any expanded gas storage infrastructure — full ownership transfer (complete expropriation) is anticipated, as these facilities require exclusive and permanent occupation of the land parcel. The total area of land subject to permanent rights will be confirmed during detailed design once pipeline alignments, facility footprints, and associated safety zones have been fixed.

Temporary land use. In addition to the permanent ROW easement, pipeline construction requires a broader temporary working strip to accommodate trench excavation, spoil management, equipment movement, welding, and backfilling operations. For a high-pressure large-diameter gas transmission pipeline of the type proposed, the total construction working strip typically 30 m beyond the permanent ROW boundary on one or both sides, depending on terrain, soil conditions, and proximity to infrastructure or watercourses. Temporary use rights will be established for this strip for the duration of active construction works, after which the land will be restored to its pre-construction condition and returned to the landowner. Separate temporary use rights will be required for: construction access roads (existing tracks will be used wherever feasible; new access tracks will be minimised and restored after works); pipe-stringing and welding yards; construction camps and welfare facilities; and lay-down areas for materials and equipment. Temporary use will be compensated through advance rental payments at or above the annual productive value of the land, and binding contractual obligations for full land restoration within six months of civil works completion on each segment will be included in construction contracts. These obligations are reflected in the entitlement matrix in Section 8 of this RPF.

Indicative land requirement estimates. Precise land requirement figures will be confirmed once detailed engineering design and route surveys are complete. On the basis of the current project design parameters, the following indicative order-of-magnitude estimates can be provided for Phase I (Trupale–Pojate, 62 km): the Operational Corridor/Maintenance Strip that includes the permanent ROW and easement strip (typically 15m wide) would require about 900ha, the broader Inner Protection Zone (typically 60 m wide) — would increase this to approximately 3 600 hectares; the temporary construction working strip (approximately 30 m) would require approximately 1800 hectares; above-ground facilities (compressor station, VMRS sites) — to be confirmed through micro-siting, but typically 1–5 hectares per facility; temporary access roads and lay-down areas — to be confirmed through detailed design. For Phase II (Pojate–Veliko Orašje, approximately 80 km) and Phase III (approximately 150 km northern corridor plus gas storage), land requirements will be of comparable or greater magnitude and will be assessed through the respective RAP preparation processes. All estimates are subject to design optimisation, and the project will apply the avoidance and minimisation hierarchy set out in Section 5.2 of this RPF to reduce the overall land acquisition footprint to the technical minimum.

2.3 Project Implementing Entities

Multiple government bodies, public enterprises, and technical agencies share responsibilities for project implementation, land acquisition, and resettlement under Component 1. The principal entities and their high-level roles in the resettlement process are summarised below. The detailed institutional arrangements — including staffing, accountabilities, the integrated land acquisition procedure under OG 53/1995, coordination mechanisms, and capacity building — are set out in Section 13.

Ministry of Mining and Energy (MoME) — Implementing Agency and Borrower's representative; holds overall accountability for ESS5 compliance and authorises site access on each parcel.

Project Implementation Unit (PIU) — established within MoME; manages day-to-day RAP preparation and implementation, top-up payments above OG 53/1995 amounts, the GRM, and project-level monitoring.

Designated expropriation beneficiary / asset owner— This entity will submit expropriation proposals, finance and/or pay statutory compensation under Serbian law, and coordinate with MoME/PIU on ESS5 supplemental measures, as applicable. This may not necessarily be Srbijagas[1] but may be a gas-sector entity to be designated by the Government as the expropriation beneficiary / asset owner. The document uses "expropriation beneficiary / asset owner" where applicable.

Republic Geodetic Authority (RGA) — maintains the Real Estate Cadastre; provides parcel extracts and registers easements and ownership transfers arising from the project.

Affected municipalities — the competent municipal administrations issue expropriation decisions and local permits; their Centres for Social Work support case management for vulnerable PAPs.

Additional entities engaged in coordination roles — including the Ministry of Finance, the Ministry of Agriculture, the Construction Supervision Consultant, an independent External Social Auditor, civil society and legal aid providers, and the World Bank — are described, together with the specific coordination mechanisms applicable to each, in Section 13.6. Full staffing, accountabilities, the integrated land acquisition procedure, and the capacity building programme are set out across Sections 13.1 to 13.7.

2.4 Overview of project area

The 62 km Trupale–Pojate pipeline section to be constructed under Phase I of the Program is planned to run, bar some deviations, alongside an existing pipeline that was constructed between 1995-2003. The deviations take account of settlements that have been built up close to the pipeline and also topographical features such as hills and forests. The right of way is extensively cultivated, largely with cereal crops. The alignment largely follows the Južna Morava valley and an existing gas corridor, with connections to the wider Morava River system, as well as crossing roads, highway, and potentially utilities. The pipeline will run close to some cultural spaces with some structures that are either adjacent to, or within, the impacted area. It is expected to intersect river corridors and associated water protection zones, particularly in relation to crossings of the Morava River system. The following municipalities within two administrative districts are impacted.

The affected areas are predominantly rural, and agriculture is the dominant livelihood along most of the corridor, so economic displacement rather than physical relocation is the principal ESS5 impact expected in these municipalities. Marked depopulation, an ageing population and generally below-average levels of development across the three municipalities increase the likelihood that affected persons will include vulnerable individuals, while the City of Niš, at the southern end of the Phase I corridor, is the regional

[1] Srbijagas or another gas-sector entity may provide technical, legal, property-related or implementation support based on previous experience, but that this does not prejudge the final designation of the expropriation beneficiary, asset owner or entity responsible for financing compensation and ESS5 supplemental measures.

administrative and service centre and is profiled below. The socio-economic characteristics summarised here are indicative and should be confirmed and updated through the baseline socio-economic survey and census carried out for each RAP or LRP (Section 9).

Ćićevac is a town and municipality located in the Rasina District of central Serbia. According to the 2022 census, the population of the town is 3,902, while the population of the municipality is 7,860. The municipality lies in the confluence area of the Južna and Zapadna Morava rivers and gravitates towards Kruševac as its regional centre. Its economy is predominantly agricultural, based on arable and cereal cultivation on small and medium family holdings in the Morava valley. Under Serbia's official classification of local self-government units by level of development, Ćićevac falls in the third group (a development level in the range of 60–80% of the national average) and, like much of the region, is affected by depopulation and an ageing rural population.

Ražanj is a village and municipality located in the Nišava District of southern Serbia. The municipality consists of 23 settlements, having a total population of 7,010 inhabitants, with 1,138 inhabitants living in Ražanj itself (2022 census). The municipality covers an area of 289 square kilometers, and it is located 50 kilometers (31 mi) northwest of Niš. It is the smallest and most rural of the affected units, with a very low population density of roughly 24 inhabitants per square kilometre across its dispersed settlements, and its local economy is dominated by small-scale agriculture. Ražanj is classified in the fourth — extremely underdeveloped — group of Serbia's official development classification (below 60% of the national average), and pronounced depopulation, an ageing population and limited local services mean that affected households are more likely to include elderly and low-income persons who depend on Aleksinac, Niš or Kruševac for higher-order services.

Aleksinac is a town and municipality located in the Nišava District of southern Serbia. According to the 2022 census, the municipality has a population of 43,258 inhabitants. Covering approximately 707 square kilometres, it is the largest and most urbanised of the three municipalities, with a historic coal-mining tradition in the Aleksinac basin alongside a substantial rural and agricultural population. Notwithstanding its size, it is classified in the fourth — extremely underdeveloped — group of Serbia's official development classification (below 60% of the national average), reflecting long-term industrial decline and comparatively high unemployment. Both farming households and the town economy are therefore relevant to livelihood and vulnerability considerations under this framework.

The City of Niš is the third-largest city in Serbia and the administrative centre of the Nišava District. According to the 2022 census, the city proper had a population of approximately 182,800 and the wider administrative area approximately 260,200 inhabitants. Niš is the administrative, economic, commercial, financial, educational and healthcare hub of south-eastern Serbia, with a comparatively diversified economy spanning electronics, mechanical engineering, textiles, tobacco and food processing, together with a free economic zone and an international airport; it is the only affected unit classified in the first group (above the national average) of Serbia's official development classification. Alongside this relative prosperity, the city has a notable Roma community and localised pockets of poverty and informal settlement that are material to vulnerability screening. The Phase I corridor originates at Trupale, within the City of Niš administrative area, and Niš hosts the district-level authorities, courts, valuation expertise and services referred to elsewhere in this framework that are relevant to land acquisition, compensation and grievance handling.

As the Phase II and Phase III alignments remain conceptual, the socio-economic context set out below is indicative — based on the areas the corridors are currently expected to traverse — and will be confirmed for the affected local self-government units during RAP or LRP preparation. The Phase II corridor runs northwards up the Velika Morava (Pomoravlje) valley, the most fertile and one of the most densely populated parts of central Serbia, from Pojate in the Rasina District through the Pomoravlje District — including the industrial towns of Ćuprija and Paraćin and the district centre, Jagodina — to Veliko Orašje, a village in the Velika Plana municipality (Podunavlje District; municipal population about 35,000 at the 2022 census). Relative to Phase I, this stretch passes through more densely settled areas and more intensive commercial agriculture, combining arable field crops (maize, wheat, sugar beet and sunflower) with orchards, vineyards and vegetable production on irrigated alluvial land, and it runs alongside major transport infrastructure, including the E-75 motorway and the Belgrade–Niš railway. Higher population density, higher-value farmland and a greater incidence of structures and businesses mean that economic displacement is likely to be more intensive per kilometre than in Phase I, with a correspondingly higher — though still limited — potential for physical displacement where the alignment approaches built-up areas. Development levels along this corridor are generally closer to the national average than in the Phase I municipalities, with the district centres among the more developed.

The Phase III corridor lies largely within the Autonomous Province of Vojvodina, crossing the Banat plain from Mokrin (North Banat District, near Kikinda) through the Central Banat District — Banatski Dvor and Itebej, in the Žitište municipality — towards Pančevo (South Banat District) and on to the southern approaches of Belgrade. This is flat, highly fertile Pannonian farmland worked largely as large-scale, mechanised commercial agriculture and agri-business, so economic displacement — potentially affecting sizeable holdings and agricultural enterprises as well as smallholders — is again expected to be the dominant impact. The Banat is ethnically diverse: alongside a Serb majority there are significant national-minority communities, notably Hungarian, together with Romanian, Slovak and others, and several corridor settlements are mixed (Banatski Dvor, for example, is roughly evenly Serb and Hungarian). Consistent with the constitutional provisions on national minorities discussed in Section 4.2.1, this makes minority-language disclosure, consultation and grievance arrangements particularly important; a number of rural Banat municipalities along the route are also among the less-developed and are experiencing depopulation and ageing. By contrast, Pančevo — a major industrial and petrochemical centre — and the Belgrade urban area at the southern end of the route are among the most developed and most densely settled parts of Serbia, where land values are high and the risk of physical displacement and of affecting structures and businesses is greater. In addition to the linear pipeline, Phase III includes point facilities — the Tilva underground gas storage site, associated compressor and above-ground installations, and the 30 km access pipeline — each of which will require full acquisition of discrete parcels, with the scale and nature of impacts determined through micro-siting.

3. Potential Resettlement Impacts

3.1 ESS5 Triggers

As is set out in Section 2.2 this RPF is prepared because Component 1 is likely to trigger ESS5 due to:

- Involuntary land acquisition for pipeline ROW (permanent easements and temporary construction zones)
- Land acquisition for above-ground facilities (compressor stations, VMRS, storage facilities)
- Potential physical displacement of households (low probability for pipeline ROW; higher if facility sites are located near settlements)
- Economic displacement (loss of agricultural production, trees, and crops during construction and due to permanent ROW restrictions on land use)

3.2 Types of Displacement Expected

Phase I, Phase II and Phase III will likely result in extensive economic displacement and temporary or permanent restrictions on predominantly. small to medium scale commercial farming. Construction activity will disrupt agricultural activity. The corridor runs through a mix of peri-urban Belgrade approaches, Morava valley towns/villages, agricultural land, river crossings, and rural areas toward Niš. Southern/eastern Serbia is generally more rural and less developed; rural settlements around Niš are described as having low density, weaker basic infrastructure, depopulation pressures and agriculture as a key activity.

- Physical displacement (relocation): Unlikely for pipeline ROW Phase I but possible for RoW Phase II and Phase III; and possible at facility sites. To be confirmed through site screening for individual RAPs.
- Economic displacement: Most likely impact category, including: loss of agricultural crops and income during the construction season; permanent restrictions on certain land uses within the ROW corridor; loss of trees (orchards and forests) within the ROW; and temporary loss of access to fields and pasture during construction.
- Restriction of access: Potential restrictions around compressor stations and storage facilities post-construction.

3.3 Potentially Affected Assets

The potentially impacted assets include the following:

- Agricultural land (arable land, orchards, vineyards, pastures, market gardens).
- Forest land (state and private)
- Structures (outbuildings, greenhouses, fences, irrigation infrastructure)
- Trees (fruit trees, timber trees, ornamental trees)

- Business premises or commercial enterprises on or adjacent to affected land
- Common property resources (grazing land, water sources)

For Phase 1 a route alternatives exercise has taken place that has examined the alignment so as to minimise impacts on physical displacement and areas of environmental importance. The current proposed alignment for Phase1 has no physical displacement anticipated. Economic displacement cannot, however, be avoided and it is estimated that approximately 3000 plots will be impacted. As Phases 2 and 3 remain conceptual in terms of route selection the numbers of those to be physical displaced and economically impacted cannot be known with any degree of confidence. However, there is latitude to minimise potential physical displacement via appropriate route selection and construction management.

3.4 Potentially Affected Persons

Potentially Affected Persons (PAPs) include the following:

- Private landowners (individuals and legal entities)
- Agricultural land users and tenants without formal title
- Occupants without legal title (informal settlers)
- Vulnerable groups: the elderly, female-headed households, persons with disabilities, ethnic minorities (including Roma communities in the project area), and households near or below the poverty line
- Communities dependent on project-area land and resources

3.5 Screening and Assessment Process

All Component 1 subprojects will be screened for land acquisition and resettlement impacts during detailed design. The results will determine whether a full RAP or a Livelihood Restoration Plan (LRP) is required. Screening criteria and the process are described in Section 10.

3.6 Legacy Issues

A review of legacy issues was conducted. Publicly available records of legacy compensation issues are limited, but consultations with legal authorities in Niš, field discussions with landowners along the existing Phase I alignment, cadastral records review in selected municipalities, and available media reporting have surfaced a set of recurring issues from earlier gas pipeline projects in the wider corridor area. These are relevant to this RPF because the same institutional actors, procedural framework and asset types apply to the current project. Legacy issues were reviewed to generate a perspective on process to be carried forward under the auspices of this RPF. The issues identified are not meant to be subject to corrective actions to be carried out by MoME or its designated implementing entity and do not serve as conditions precedent to the disbursement of WB funding.. The key legacy issues identified are:

- **Documentary gaps in historical cases.** Municipalities frequently cannot produce complete records of compensation agreements or evidence of payment for older expropriation cases. Cadastral records also vary by cadastral municipality: in some cases the pipeline is explicitly noted; in others records show only an enforcement-decision entry without clearly identifying the pipeline or the specific restriction imposed.
- **Inconsistent historical practice on the existing Phase I alignment.** Field discussions indicated that negotiations were in some cases conducted through the construction contractor rather than the municipal administration; compensation was reportedly paid for crops and fixed assets but not consistently for land or ROW-related restrictions; and flat "goodwill" payments outside the statutory framework were reported by some landowners.
- **Legacy compensation disputes in the wider Niš area.** Legal authorities identified compensation-related court cases on several legacy gas pipelines in the wider Niš area, including the existing Phase I Trupale–Pojate pipeline, the MG-11 pipeline from Trupale towards the North Macedonian border, and the pipeline from Niš towards Dimitrovgrad and the Bulgarian border. This information was provided informally and would need to be verified through direct court records review before it is relied upon in project decisions.
- **Courts routinely override tax-based valuations.** Where administrative offers have been anchored to Tax Administration cadastral assessments, courts have consistently found those values to be many times below market value and typically rule in favour of the appellant. This is a direct driver of the valuation approach adopted in this RPF (see Sections 4.4, 7.1 and 7.2).
- **Cadastre versus zoning discrepancies.** Where land is classified as agricultural in the cadastre but has been zoned for construction in municipal spatial plans, deliberations are more complex and outcomes less predictable. Each RAP will need clear rules for handling such cases and clear documentation of the classification applied.
- **Cost and timeline consequences of unrealistic administrative offers.** Legal authorities noted that where administrative offers are revised upward by the courts, the aggregate cost to the expropriation beneficiary — inclusive of court fees, expert valuation costs and statutory interest — can materially exceed the amount that would have been payable had a market-based offer been made initially. Court representatives further observed that legal challenges routinely extend the compensation timeline by approximately two years, during which affected persons may be without settled compensation and, where affected land is their primary income source, without a reliable income stream.
- **Civil-litigation risk beyond the compensation procedure.** Some legacy cases arise not through the non-contentious compensation procedure but as ordinary civil litigation. This includes so-called factual expropriation (land taken or

permanently affected without an individual expropriation decision), claims for damages arising from construction works, temporary occupation, access to land, and failure to restore land to its pre-construction condition.

- **Underuse of legal support at the administrative and negotiation stage.** Court representatives observed that law firms or legal advisers engaged by Srbijagas could play a more proactive role at the administrative and negotiation stage — supporting the preparation of realistic compensation offers, reviewing market evidence, assisting in negotiations with affected landowners, and facilitating negotiated compensation agreements. This informs the call-off legal-advisory arrangements set out in Section 13.2.2.
- **MG-11 media report — early disclosure and payment verification concerns.** Media reporting on the MG-11 (Niš–Leskovac–Vranje) pipeline alleges that a 2008 municipal certificate stating Yugorosgaz had resolved property-law relations with owners of more than 300 parcels along the route did not accurately reflect the position on the ground: some affected landowners were reportedly first informed of the route in March 2010, and allegations exist that agreements had not been signed or payments made at the time the certificate was issued. Whether or not these specific allegations are ultimately borne out, the report underscores the importance of early disclosure, timely engagement with affected landowners, documented agreements, verified payment records, and effective grievance channels — each of which is addressed in Sections 11, 12 and 13 of this RPF.

The common thread across these issues, from an ESS5 perspective, is the importance of realistic valuation at the administrative stage, early and documented agreement on compensation, and avoidance of prolonged disputes that leave affected persons without timely compensation or livelihood support. The full record of legacy-issues consultations, field observations, cadastral records review, and media reporting on which this summary draws is set out in Annex [X].

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[2] Лажно уверење за гасовод - Pištaljka.rs

[3] This information should not be treated as a confirmed finding for the Trupale–Pojate section. However, it should be retained as an important stakeholder engagement and grievance-management lead. From an ESS10 perspective, the issue supports the need for early, accessible and well-documented disclosure to affected persons before land acquisition or access to land takes place. From an ESS5 perspective, it supports the need to verify not only formal cadastral and permitting records, but also actual compensation practice, affected persons' understanding of their rights, documentation of agreements, payment evidence, and any pending or unresolved grievances related to land acquisition, servitudes, temporary occupation, construction damage or reinstatement.

4. Legal and Policy Framework

4.1 World Bank Environmental and Social Framework — ESS5

ESS5 (Land Acquisition, Restrictions on Land Use and Involuntary Resettlement) sets out the World Bank's requirements for managing involuntary resettlement, discussed in more detail in Section 5. In brief, ESS5 requires the Project to avoid or minimise involuntary resettlement through design alternatives, treat resettlement as a development opportunity, consult affected persons meaningfully, compensate all affected assets at full replacement cost, provide resettlement assistance beyond compensation, establish an accessible Grievance Redress Mechanism (GRM), and prepare, implement and monitor Resettlement Action Plans (RAPs). Several other Environmental and Social Standards also apply alongside ESS5 — including ESS1, ESS2, ESS3, ESS4, ESS6, ESS8 and ESS10 — together with the World Bank Group EHS Guidelines as technical reference documents; ESS7 and ESS9 are not currently expected to apply.

The World Bank Standards are not, in themselves, Serbian domestic law: Serbian legislation remains the primary framework governing land acquisition, expropriation, planning, permitting and administrative procedure, while ESS5 supplies the additional project-level measures required wherever domestic law falls short. Once the financing agreement is concluded, the environmental and social commitments in this RPF, the SEP, the ESIA/ESMP and each RAP/LRP become binding project obligations, subject to verification against the final signed agreement.

The full text of this section is reproduced in Annex 1.

4.2 Republic of Serbia Legal Framework

Section 4.2 reviews nine areas of Serbian and international law relevant to land acquisition and resettlement: the Constitution; the Law on Expropriation; the Law on Planning and Construction; the Energy Law; other relevant national legislation; ratified international human rights instruments; environmental and public participation conventions; international labour and occupational health and safety instruments; and the Energy Community Treaty. The key points from each are summarised below.

- **Constitutional provisions (4.2.1).** Articles 58 and 84 guarantee property rights and require lawful, public-interest expropriation with market-value compensation; related articles guarantee proportionality, equal treatment, judicial remedies, access to information, health and environmental protection, and minority-language rights. These set a floor but do not themselves mandate the consultation, disclosure or vulnerable-persons assistance that ESS5 requires.
- **Law on Expropriation (4.2.2).** OG RS 53/1995 (as amended to 106/2016; 2021 amendments adopted but never in force) is the primary expropriation statute, distinguishing full expropriation from the incomplete, easement-based

expropriation used for pipeline rights-of-way. It does not require compensation at full replacement cost, assistance for non-titled users, livelihood restoration, transition allowances, or payment before entry into possession — gaps this RPF is designed to close.

- **Law on Planning and Construction (4.2.3).** Governs spatial planning and permitting for linear gas infrastructure, including the corridor designation process, public participation during plan preparation, and special rules for underground linear works and valuation of converted land.
- **Energy Law (4.2.4).** Grants licensed transmission entities such as a Government designated expropriation beneficiary / asset owner the right to build on third-party land by agreement or expropriation, and establishes the permanent servitude regime for pipelines; compensation still relies on the Law on Expropriation, so the same gaps relative to ESS5 apply.
- **Other relevant legislation (4.2.5).** Includes the Law on Agricultural Land, Law on Forests, Law on Property and Other Real Rights, Labour Law, Law on Local Self-Government, Law on General Administrative Procedure, and Law on State Survey and Cadastre, covering conversion fees, easement registration, employment benchmarks, municipal roles, due process and cadastral records.
- **International human rights instruments (4.2.6).** Serbia has ratified the ECHR, ICCPR, ICESCR, CEDAW, CRPD, CRC, the Framework Convention for the Protection of National Minorities, and the European Charter for Regional or Minority Languages, all forming part of domestic law and informing the RPF's approach to non-discrimination, gender equity, disability access, and minority rights.
- **Environmental and public participation conventions (4.2.7).** Serbia's ratification of the Aarhus and Espoo Conventions, the Kiev Protocol, the Bern, Bonn and Ramsar Conventions, the Convention on Biological Diversity, the UNESCO World Heritage Convention, and the European Landscape Convention underpins the Project's disclosure, consultation, biodiversity, heritage and landscape obligations.
- **International labour and OHS instruments (4.2.8).** Serbia has ratified 77 ILO Conventions (61 in force), including all fundamental conventions on freedom of association, forced labour, child labour and non-discrimination, relevant to labour management and contractor obligations under ESS2.
- **Energy Community Treaty (4.2.9).** Serbia's obligations under the Treaty are relevant to transmission system operation, unbundling and third-party access, particularly given the potential involvement of more than one operator (Transportgas Srbija, Government designated expropriation beneficiary / asset owner) across the pipeline network.

The full text of Section 4.2, including all statutory citations and subsections, is reproduced in Annex 1.

4.3 Gap Analysis: Serbian Law vs. ESS5 Requirements

The table below summarises the principal gaps between Serbian expropriation law and ESS5 requirements, and the measures proposed to close them.

Table 1: Gap Analysis: Serbian Law vs. ESS5 Requirements

ESS5 Requirement	Serbian Law Position	Gap	Gap-Filling Measure
Compensation at full replacement cost	Market value under Law on Expropriation; may not reflect replacement cost	Gap exists where market values underestimate replacement cost	RPF/RAP to specify replacement cost top-up approach
Coverage of non-titled users (tenants, informal occupants)	Not covered under expropriation law	Gap	RPF/RAP to define eligibility criteria and entitlements for non-titled users
Livelihood restoration assistance	Not required under Serbian law	Gap	RAP to include livelihood restoration measures and budget
Transition/moving allowance	Not required	Gap	RAP to include transition allowances where relevant and as per adjudicated and measured loss
Formal consultation process	Limited consultation requirements	Partial gap	RPF/RAP to specify enhanced consultation procedures
GRM that is functionally independent of the land acquisition decision-making chain, with escalation to an independent review level (see Sections 12.3 and 12.11) and unimpeded access to World Bank	Not specifically required	Partial gap	Project GRM to be established per ESS10 and ESS5

accountability mechanisms			
Completion audit/monitoring	Not required	Gap	RAP to include monitoring plan and completion audit
Prior compensation — all payments made before civil works begin on affected land	Serbian expropriation law does not require prior payment before civil works. Compensation proceedings can run concurrently with or after civil works commencement. Court determination of compensation can take several years.	Gap	RPF to mandate that all compensation payments are made and receipts documented prior to site hand-over for civil works on each affected parcel. Civil works contracts to include a condition precedent on compensation completion, certified by the PIU Social Officer.
Prohibition on forced eviction	Not explicitly addressed as a standalone prohibition under Serbian statutory law; procedural protections are provided by the Constitution (Art. 58) and the Law on Expropriation (OG 53/1995).	Partial gap	RPF and RAPs to prohibit forced eviction; site clearance and possession may occur only after certified full compensation payment and, where applicable, delivery of accepted alternative accommodation or replacement land (ESS5 Paras 16 and 29).
Easement compensation — full scope of losses, including crops, income, and ROW restrictions	Law on Expropriation Art. 53: easement compensation = diminution in market value of burdened land only. Does not explicitly cover: standing crops destroyed during construction, temporary income losses, or permanent productive restrictions within the cleared ROW strip.	Partial gap	RPF entitlement matrix to specify compensation for all losses from easement establishment: crops and trees destroyed during construction; lost agricultural income for the construction season; and annual easement payment or lump sum for permanent productive use restrictions within the ROW corridor.
Temporary land use — compensation and restoration	Serbian law primarily addresses permanent expropriation. Provisions for temporary use compensation exist under energy and expropriation legislation but are not comprehensively defined for lay-down areas, access roads, or construction camps outside the formal ROW.	Partial gap	RAP to include: advance rental payment at or above annual productive value of land; binding obligation to restore land to pre-construction condition within 6 months of works completion; compensation for residual damage assessed at final inspection.
Vulnerable groups — identification, targeted assistance, enhanced monitoring	Serbian expropriation law does not provide for identification of vulnerable groups or additional assistance to vulnerable project-affected persons.	Gap	RPF to define vulnerability criteria (female-headed households, elderly, disabled, Roma, households at or below poverty line). RAP census to screen for vulnerability. Additional vulnerability assistance and enhanced RAP monitoring for all identified vulnerable PAHs.
Cut-off date — formal	No explicit cut-off date mechanism in Serbian law. Ownership claims assessed at time of cadastral registration; no formal	Partial gap	RAP to establish formal cut-off date coinciding with the census commencement. Date to be communicated to all affected communities via

establishment and communication	mechanism to prevent speculative investments after project announcement.		public notices and community meetings. Improvements and new occupants after cut-off date are not eligible for compensation. The cut-off date is a project-level ESS5 eligibility rule under this RPF and does not extinguish or alter statutory rights under Serbian law (see Section 6.3).
Illegal/informal structures — compensation at full replacement cost	2021 Amendment: owners of illegal buildings subject to pending legalisation are entitled to compensation at construction value only. Construction value may be below full replacement cost where material and labour costs have risen since construction.	Partial gap	RPF/RAP to apply full replacement cost for all structures regardless of legal status, consistent with ESS5 eligibility for Category C PAPs. Construction value used as a floor, not a ceiling; replacement cost to be confirmed by independent valuer.
Gender-sensitive approach — equal access to compensation and participation	Serbian expropriation law makes no gender-specific provisions. Compensation is paid to registered owners who may be predominantly male in rural settings.	Partial gap	RPF/RAP to ensure: joint payment to couples where land is held in common; equal access to information and participation for women; identification and tracking of women-headed households; gender-disaggregated data in all RAP monitoring reports.
Information disclosure — RAP publicly available before implementation	Serbian law requires formal notification to registered owners but does not require public disclosure of resettlement plans or entitlement information to affected communities.	Partial gap	RPF and each RAP to be disclosed on the World Bank external website, the MoME website, and locally (municipal notice boards, community centres). Serbian-language summaries to be distributed to affected communities at least 30 days before RAP implementation.

4.4 Gap-Filling Measures

The project will apply the higher standard (ESS5) wherever gaps exist between Serbian law and ESS5. The RPF and subsequent RAPs will document all gap-filling measures. Operational compliance with the gap-filling provisions will be delivered by the PIU on behalf of MoME as the Implementing Agency, with MoME retaining overall accountability and confirming that gap-filling measures are reflected in the project legal agreements and cascaded into the relevant institutional arrangements with Government designated expropriation beneficiary / asset owner and other counterparts.

The full Serbian statutory expropriation procedure applied by Government designated expropriation beneficiary / asset owner (route analysis, Special Purpose Spatial Plan, declaration of public interest, compensation offer and amicable-compensation hearing) is described in Annex 1. This RPF establishes the project-level instruments — the Replacement Cost Study, the Entitlement Matrix, the vulnerability assistance package, the livelihood restoration programme, the SACC sequencing rule, and the project GRM — through which ESS5 requirements are delivered in parallel with, and additional to, the statutory process.

Compensation is paid in cash at the current market value of the expropriated or encumbered real estate, with easement compensation calculated as the diminution in market value of the burdened land under Article 53. This framework has several well-documented limitations relative to World Bank ESS5 standards: it covers only registered owners, leaving tenants, informal users, and non-titled occupants without entitlement; it does not require compensation at full replacement cost; it makes no provision for livelihood restoration, transition assistance, or moving support; it does not mandate that payment be completed before civil works commence; and it imposes no formal consultation obligations beyond statutory legal notification. Monitoring and completion audit are not required.

Because the OG 53/1995 framework does not itself provide for these ESS5 elements, they cannot be delivered through the standard expropriation procedure alone. This RPF and the subsequent site-specific RAPs establish the project-level mechanisms — the Replacement Cost Study, the Entitlement Matrix, the vulnerability assistance package, the livelihood restoration programme, the SACC sequencing rule, and the project GRM — through which the ESS5 requirements will be delivered in parallel with, and additional to, the statutory expropriation process implemented by a Government designated expropriation beneficiary / asset owner. In particular, the valuation gap between Serbian statutory practice and ESS5 replacement cost is operationalised through the Project Valuation and Compensation Review Protocol set out in Section 7.2.

5. Resettlement Principles and Objectives

5.1 Overview

In World Bank-assisted projects, borrowers are expected to take all feasible measures to avoid or minimize adverse impacts from land acquisition and restrictions on land use associated with project development. The fundamental objective of ESS5 is to ensure that, if physical or economic displacement cannot be avoided, displaced people (as defined below) are compensated at the replacement cost for land and other assets, and otherwise assisted as necessary to improve or at least restore their incomes and living standards.

Displaced persons (ESS5, Para. 10) are defined as any persons subjected to project-related adverse impacts who (a) have formal legal rights to land or assets; (b) have a claim to land or assets that is recognized or recognizable under national law; or (c) who have no recognizable legal right or claim to the land or assets they occupy or use. The term incorporates all potential categories of persons affected by land acquisition and associated impacts; all of those adversely affected are considered "displaced" under this definition regardless of whether any relocation is necessary.

Replacement cost (ESS5, Para. 2, footnote 6) is defined as a method of valuation yielding compensation sufficient to replace assets, plus necessary transaction costs associated with asset replacement. Where functioning markets exist, replacement cost is the market value as established through independent and competent real estate valuation, plus transaction costs. Where functioning markets do not exist, replacement cost may be determined through alternative means, such as calculation of output value for land or productive assets, or the undepreciated value of replacement materials and labor for construction of structures or other fixed assets, plus all transaction costs associated with asset replacement. In all instances where physical displacement results in loss of substandard shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets minimum community standards of quality and safety.

ESS5 also establishes key principles to be followed in resettlement planning and implementation. The hierarchy of mitigation measures and risk management is critical to resettlement planning. The principles and hierarchy will be applied to all resettlement planning and implementation and is summarised as follows:

- **Avoidance and minimisation:** ESS5 Para 5 requires that all feasible alternative project designs be considered to avoid or minimise physical and economic displacement. For Component 1 pipeline corridors, route alignment will be screened at design stage for land-use type, proximity to settlements, and availability of state or brownfield land. Minimise the extent and severity of unavoidable land acquisition impacts through: narrowing trench widths and construction working strips to the technical minimum; applying horizontal directional drilling (HDD) as well as thrust bore and pipe jacks at road crossings, water bodies, and built-up areas; micro-siting compressor stations and valve and metering rooms on existing industrial or state-owned land; using existing access tracks rather than clearing new ones; and coordinating with co-located infrastructure projects to share right-of-way corridors (ESS5 Para 5). The footprint of above-ground facilities (compressor stations, valve and metering stations) will be minimised through micro-siting on existing industrial or state land. The justification for any remaining land acquisition will be documented in each RAP, demonstrating that the selected alignment represents the minimum necessary footprint.

- **Replacement cost:** ESS5 Annex 1 defines replacement cost as the cost of replacing lost assets with new assets of similar quality and function at current market prices in the locality, without deductions for depreciation, salvage value, or transaction costs. For agricultural land, replacement cost is the pre-displacement market value of land of equivalent productive capacity in the vicinity. For structures, it is the prevailing cost of constructing an equivalent structure using current local materials and labour, including reconnection to utilities. Where thin rural land markets cause market prices to understate true replacement cost, an independent valuation study will be commissioned to establish appropriate benchmarks prior to RAP preparation.
- **Eligibility:** ESS5 Paras 10(ii) and 18–21 establish a three-category eligibility framework. Category A covers persons with formal legal rights to the affected land or assets; they are eligible for full replacement cost compensation and resettlement assistance. Category B covers persons whose claim to the affected land is recognised under national law or is in the process of recognition; they receive the same entitlements as Category A. Category C covers informal users and occupants without legal title or formal claim (including encroachers and squatters); they are not entitled to compensation for land but are fully entitled to compensation for structures, crops, trees, and other improvements, plus livelihood restoration assistance. The Entitlement Matrix in Section 8 applies these categories to each asset type and impact class.
- **Prior compensation:** ESS5 Para 16 requires that the Borrower not take possession of, or gain access to, affected land and assets until full compensation has been paid and all agreed resettlement and livelihood restoration assistance has been provided. For this project: (a) compensation for each affected parcel must be fully paid to the PAP before the civil works contractor is granted access to that parcel; (b) where physical displacement is required, alternative accommodation or replacement land must be made available and accepted before the affected household is required to vacate; and (c) the PIU will maintain parcel-by-parcel payment records linked to the construction works schedule, and will certify payment completion as a condition precedent to site access.

- **No net loss:** Mitigate residual impacts that cannot be avoided or minimised by applying the full compensation and resettlement framework in Sections 6–9 of this RPF: pay replacement cost compensation for all affected land and assets; provide assistance and moving support for physically displaced households; restore temporarily acquired land to its pre-construction condition and productive capacity within six months of civil works completion; and implement livelihood support measures for households whose livelihoods are not fully restored by asset compensation alone (ESS5 Para 10(i)–(iii)). Specifically, ESS5 Para 10(iii) requires the project to assist displaced persons in their efforts to improve — or at least restore — livelihoods and living standards in real terms. Financial compensation at replacement cost for physical assets is the minimum standard; where lost assets constitute a significant share of household income or where livelihoods are not fully restored by asset compensation alone, the project will provide additional livelihood restoration measures tailored to local conditions. The baseline against which restoration is measured is the pre-displacement socioeconomic status established through the RAP census and household survey, monitored through completion audit. Households losing 10% or more of productive assets are classified as significantly affected and will receive enhanced livelihood restoration programmes. Restoration programmes will be designed in consultation with affected households and may include agricultural input support, vocational training, business re-establishment grants, or referral to employment opportunities during project construction. Outcomes will be monitored against baseline socioeconomic indicators and evaluated in the RAP completion audit (ESS5 Paras 10(iii) and 27–28).
- **Consultation and participation:** ESS5 Paras 22–23 require meaningful, two-way consultation with affected persons throughout the resettlement process — from early route planning through RAP preparation, census, compensation negotiation, and implementation monitoring. Consultation must be conducted in local languages, adapted to literacy levels and cultural norms, and timed to allow affected persons to influence project decisions before they are finalised. For Component 1, separate consultation sessions will be held for each affected community, with records documenting attendance, issues raised, and project responses. Particular effort will be made to ensure women, elderly, Roma, and other potentially marginalised groups have equal access to consultation forums and can raise concerns safely and without fear of reprisal.
- **Vulnerable groups:** ESS5 Para 10(iv) requires the project to identify vulnerable individuals and households and provide them with specific additional assistance. Vulnerability screening will be conducted during the PAP census using criteria including: female-headed households; elderly persons living alone; persons with disabilities; households at or below the national poverty line; Roma and other ethnic minority households lacking secure tenure; and households with no adult member in formal employment. Identified vulnerable PAHs will receive:

supplementary compensation allowances above the standard Entitlement Matrix; priority scheduling for payment and relocation assistance; dedicated support from a social officer during the relocation process; enhanced post-resettlement welfare monitoring; and referral to relevant government social assistance programmes.

- **Gender sensitivity:** ESS5 Para 10(iv) requires the project to ensure women have equal access to compensation and resettlement benefits. For this project: (a) where land or property is jointly held or occupied, compensation documents and payments will name and include all adult household members, not only the registered titleholder; (b) female-headed households will be identified in the PAP census and tracked throughout RAP implementation; (c) women-only consultation sessions will be held in communities where women may face barriers to participation in mixed-gender forums; (d) cash compensation and livelihood support payments will be made directly to women in female-headed households; (e) all resettlement monitoring data will be collected, analysed, and reported in disaggregated form by gender; and (f) the PIU's social team will include at least one female officer responsible for gender-responsive outreach.

5.2 Prohibition on Forced Eviction

ESS5 Para 6 defines forced eviction as the permanent or temporary removal of individuals, families, or communities from their homes or land against their will, without the provision of appropriate legal and procedural protections. ESS5 Para 7 requires that the Borrower not carry out or support forced evictions. This prohibition is unconditional and applies regardless of the legal status of the affected occupants.

For this project, compliance with the prohibition on forced eviction requires: (a) no physical displacement of any person will occur prior to full payment of all agreed compensation and provision of all agreed resettlement assistance; (b) displaced persons will be provided with advance written notice of at least 60 days before being required to vacate their homes, structures, or land; (c) alternative accommodation or replacement plots will be made available and accepted by the affected household before vacating is required; (d) the police or security forces will not be used to compel displacement; and (e) the PIU will maintain a displacement activity log for each affected household confirming compliance with these protections.

Voluntary land transactions and formally documented negotiated easements under the Serbian Law on Expropriation (Article 53 easement procedure, OG 53/1995 as amended) are outside the scope of ESS5’s resettlement provisions, but the voluntariness of any such transaction must be documented, confirming that affected persons received full and accurate information, were not subjected to coercion, and had access to independent advice if requested.

5.3 Resettlement as a Development Opportunity

ESS5 Para 11 states that where possible, involuntary resettlement should be conceived and executed as a development opportunity, enabling the livelihoods and living standards of displaced persons to be improved rather than merely maintained. This principle reflects the World Bank's recognition that infrastructure projects, if well managed, can generate co-benefits for affected communities that extend beyond direct compensation for lost assets.

For Component 1 of the SGIIS project, the development opportunity principle translates into the following commitments: (a) compensation at replacement cost rather than depreciated value leaves affected persons with capital to reinvest in equivalent or improved productive assets; (b) livelihood restoration programmes address long-term income security, not only the immediate value of affected assets; (c) physically displaced persons will be offered resettlement sites or replacement housing of at least equivalent standard, with secure tenure and access to services; (d) the project will explore opportunities for affected communities to benefit from construction employment, skills training, and improved access infrastructure in the project corridor; and (e) the PIU will consult with affected communities during RAP preparation to identify development co-benefits that are technically and financially feasible within the project budget.

This principle also informs the design of livelihood programmes for significantly affected agricultural households. Rather than limiting compensation to the market value of lost crop production, the project will consider whether investment in improved inputs, irrigation access, or diversified livelihoods could generate sustained income gains that exceed the pre-project baseline. The RAP for any subproject with significant agricultural displacement will include a livelihoods component addressing this objective.

5.4 Application of Principles to This Project

The principles set out above establish the non-negotiable minimum standards for all resettlement activities under Component 1 of the Serbia Strategic Gas Infrastructure and Institutional Strengthening Project (P516640). These principles are derived directly from ESS5 of the World Bank Environmental and Social Framework (2018) and represent binding commitments that Government designated expropriation beneficiary / asset owner, as the implementing entity, has undertaken as a condition of World Bank financing.

Where Serbian national law establishes a lower standard than the ESS5 principles set out in this section — most notably in relation to compensation methodology (Serbian law allows depreciated market value; ESS5 requires replacement cost), eligibility of informal users (Serbian expropriation law is confined to registered owners; ESS5 extends entitlements to all users), and the sequencing of compensation payment relative to site access — the higher ESS5 standard will apply in full. The complete gap analysis between Serbian legislation and ESS5 requirements is set out in Section 4 of this RPF.

All RAPs prepared under this RPF will include a dedicated section demonstrating how each of the core principles in Section 5.1 has been addressed in the specific subproject context. The PIU's semi-annual resettlement monitoring reports will include a principles compliance assessment for each active RAP. Compliance with these principles will also be independently verified in the RAP completion audit conducted prior to project closure.

6. Eligibility Criteria and Cut-Off Date

6.1 Categories of Project-Affected Persons (PAPs)

The table below sets out the Categories of Eligibility applied within this RPF.

Table 2: Eligibility Categories

Category	Description	Entitlement Basis
Category A	Legal owners of land/structures	Persons or entities with formal title to affected land or structures. Entitled to compensation at replacement cost for lost assets.
Category B	Users with recognised rights (tenants, leaseholders, traditional rights)	Persons without formal title but with legally recognised rights to use the land. Entitled to compensation for lost use and income.
Category C	Persons without legal rights or claim (informal users)	Persons occupying or using land without legal title or claim. Not entitled to compensation for the land itself, but entitled to compensation for lost structures, crops, improvements, and livelihood restoration/resettlement assistance.

6.2 Eligible Impact Types

Eligible persons within Categories A–C are entitled to compensation or assistance for:

- Permanent acquisition of land
- Temporary use of land during construction
- Reduced land value and income-earning potential resulting from permanent use restrictions within the pipeline right-of-way (Article 53 easement)
- Loss of structures (residential, agricultural, commercial)
- Loss of crops, trees, and perennial plants
- Loss of business income and livelihoods
- Moving and transition costs (where physical relocation is required)
- Vulnerability assistance (for vulnerable households)
- Livelihood restoration assistance (where significant income loss occurs)

6.3 Cut-Off Date Policy

A census cut-off date will be established for each subproject RAP, coinciding with the census of affected persons. The date will be communicated to affected communities at the start of the census through public notice. Persons establishing presence or assets after the cut-off date will not be eligible for compensation. Procedures for dealing with late arrivals and disputed cut-off dates will be specified in each RAP.

The census cut-off date is a project-level eligibility rule under ESS5 (established by this RPF and by each subproject RAP) and does not derive from Serbian statute. It does not extinguish or alter any rights under Serbian law: persons acquiring a legally protected interest in the affected land after the cut-off date retain their statutory rights against the expropriation beneficiary under OG 53/1995 and Article 58 of the Constitution, but they are not entitled to ESS5 top-ups, resettlement or livelihood restoration assistance from the project. The cut-off date will be established, disclosed and evidenced through public notice, community meetings and photographic/GPS-tagged census records so that any subsequent dispute can be resolved on documented facts. The application of the cut-off rule in each subproject RAP is subject to legal review by MoME/PIU counsel to confirm consistency with Serbian statutory framework.

7. Methods for Valuing Affected Assets

This section details the valuation methodology that is applied and provides commentary on where this differs from normative legal process in Serbia.

7.1 Replacement Cost Methodology

All assets will be valued at replacement cost — the cost to replace the asset at its current use with an equivalent asset, without deductions for depreciation, transaction costs, or salvage value. Independent valuation will be carried out by a qualified valuer acceptable to the World Bank, complementing or replacing the official cadastral assessment where it falls below replacement cost.

The replacement cost standard is the overarching valuation rule for this RPF and all subproject RAPs. It departs from the default position under the Law on Expropriation (OG 53/1995, as amended), which requires compensation at the "current market value (in practice determined by reference to Tax Administration cadastral assessments and registered market values derived from officially recorded property transactions and taxes)" of expropriated real estate. That market-value standard, while constitutionally grounded in Article 58 of the Serbian Constitution, does not on its own meet with ESS5 for two principal reasons: (i) market value in thin rural land markets — which characterise much of the Phase I and Phase II as well as Phase III corridor — can understate what it would actually cost the affected person to replace the lost asset; and (ii) market value under Serbian law is determined primarily by reference to Tax Administration cadastral assessments, which are typically updated infrequently and reflect transaction prices for compulsory sales, not the cost of voluntary purchase of equivalent replacement land or structures. Registered values are further depressed by under-reporting of voluntary transaction prices by buyers and sellers seeking to reduce transfer-tax exposure, so cadastral-based figures typically fall below the amount required to purchase equivalent replacement assets. The replacement cost top-up mechanism — whereby the PIU pays the difference between the Serbian law compensation amount and the independently verified replacement cost — is the principal gap-filling instrument identified in Section 4.3 and mandated in Section 4.4 of this RPF. The independent valuation process will follow this sequence for each subproject RAP.[4] The Project Valuation and Compensation Review Protocol at Section 7.2 sets out the procedural mechanism through which this replacement-cost standard is delivered under the Serbian expropriation framework.

[4] If required, and prior to the RAP census, the PIU will commission a Replacement Cost Study (RCS) covering the municipalities in the subproject footprint. The RCS will be carried out by a firm or individual with demonstrated experience in Serbian real estate valuation, acceptable to the World Bank. The RCS will establish asset-class-specific replacement cost benchmarks — for each category of agricultural land, structure type, tree species, and other asset class.

7.2 Project Valuation and Compensation Review Protocol

Before individual compensation offers are made in the administrative compensation process, MoME/PIU shall ensure that the designated expropriation beneficiary applies a Project Valuation and Compensation Review Protocol. The purpose of the Protocol shall be to ensure that compensation offers and any related supplemental measures are based on a documented assessment of applicable Serbian legal requirements, available Tax Administration data, actual land use, planning status, market evidence, restrictions imposed by the Project, and relevant ESS5 requirements.

The Protocol shall not replace the statutory role of the Tax Administration, the competent administrative authorities or the courts under Serbian law. Tax Administration data shall remain a statutory input into the compensation process. However, the Protocol shall require the expropriation beneficiary, before making compensation offers, to review whether the available valuation basis adequately reflects the market value of the affected asset and the nature and extent of Project-related restrictions, including partial acquisition, easements, servitudes, protection-zone restrictions and temporary occupation.

Where appropriate, the expropriation beneficiary shall engage qualified valuation experts, court-certified experts or other relevant specialists, including agricultural, forestry or construction experts, to support the valuation review. The review shall take into account relevant factors commonly considered in Serbian valuation and court practice, including location, access, actual and permitted land use, planning status, infrastructure availability, comparable market transactions, productive capacity, restrictions on future use, and the reduction in market value caused by the Project.

Valuation experts engaged under the Protocol should have demonstrated knowledge of the local or regional property market relevant to the affected immovable property. As a rule, valuers should be selected from the municipality in which the affected property is located or from the relevant local or regional market area, rather than relying solely on a centralised valuation provider without sufficient familiarity with local land values, land-use patterns, market transactions and site-specific characteristics.

For municipalities, asset categories or individual cases where valuation is complex, disputed or particularly sensitive, the Protocol may require the engagement of two qualified valuation experts. Where two experts are engaged, they should review the relevant valuation factors jointly and seek to harmonise their findings before the expropriation beneficiary submits the compensation offer in the administrative compensation process. Any remaining differences in expert opinion should be documented, together with the basis for the compensation offer.

The Protocol shall distinguish between: (i) statutory compensation for land and assets under Serbian expropriation procedures, including compensation subject to administrative agreement or judicial determination where disputed; and (ii) additional

Project-financed supplemental measures required to meet ESS5, including transaction costs, registration costs, transitional assistance, livelihood restoration, support to eligible non-title users, and other measures identified in the RAP/LRP.

Any supplemental payment or measure beyond statutory compensation for land and assets shall be subject to confirmation of the applicable legal, institutional and budgetary mechanism by MoME and the designated expropriation beneficiary. The RAP/LRP shall document the application of the Protocol, identify any remaining gaps between national compensation and ESS5 requirements, and define the measures, responsibilities, budget and timing required to address such gaps before land access or displacement occurs.

The implementation of the Project Valuation and Compensation Review Protocol shall be supported by adequate resources and reflected in the RAP/LRP implementation budget. This may include preparation of the Protocol with legal, valuation and ESS5 input; engagement of qualified valuation experts or court-certified experts in affected municipalities or relevant local market areas; legal and technical support to MoME/PIU and the designated expropriation beneficiary; field verification of land use, planning status, access, productive capacity, market evidence and Project-related restrictions; technical consultations or workshops with relevant municipal expropriation authorities, valuation experts, judicial representatives where appropriate, and the designated expropriation beneficiary; and monitoring of the Protocol's application during RAP/LRP implementation.

Statutory compensation payable under Serbian expropriation procedures shall remain a GoS / designated expropriation-beneficiary obligation and shall not be financed from the World Bank loan unless otherwise provided in the legal agreements. However, costs related to the preparation and implementation support of the Protocol, expert input, legal and technical advice, capacity building, workshops, monitoring and RAP/LRP implementation support may be treated as Project implementation, capacity-building or RAP/LRP support costs, subject to confirmation in the PAD, legal agreements, procurement plan and applicable financing arrangements.

7.3 Valuation of Agricultural Land

Agricultural land will be valued at market replacement cost — the price to purchase equivalent land of similar productive capacity in the local area. Where market transactions are infrequent (e.g., in rural areas), replacement cost will be estimated using comparable sales data, income capitalisation, or reproduction cost approaches. Top-up payments above expropriation compensation will be made where cadastral values fall below replacement cost.

Permanent acquisition — easements and full title transfer. For agricultural land subject to a permanent pipeline easement (Article 53, OG 53/1995), Serbian law compensates the landowner for the "diminution in the market value of the burdened land" caused by the servitude. This is a partial-loss measure that sometimes does not capture:

the full capitalised value of permanent productive restrictions within the ROW strip; income lost from perennial crops cleared during construction; or the multi-year disruption to farming operations during the construction period. This RPF requires a broader compensation basis. For the ROW easement strip, compensation will equal not less than 30%[5] of the full replacement cost of the equivalent unencumbered land (as per the Replacement Cost Study), reflecting the permanent but partial nature of the restriction (construction is prohibited; shallow cultivation between maintenance events continues). Where independent agronomic assessment demonstrates that the permanent restriction eliminates or materially curtails productive use — for example, where the ROW strip runs through an orchard or vineyard — a higher percentage or full replacement cost may apply. For land subject to full ownership transfer (above-ground facilities), compensation will equal 100% of replacement cost as established by the Replacement Cost Study (RCS). In both cases, the compensation amount determined under OG 53/1995 proceedings will be used as a floor; the PIU will top up to the RPF minimum from project funds where necessary.

Temporary construction use. Agricultural land within the temporary construction working strip — the area outside the permanent ROW used during construction but subsequently returned to the landowner — will be compensated through an advance rental payment at a rate not less than the annual net productive value of the land for each year or part year of occupation, plus a separate payment for any crop or tree losses during the construction season (Section 7.5). Serbian law provides for temporary use compensation under OG 53/1995 and the Energy Law but does not prescribe a minimum rate or require advance payment; this RPF closes that gap by mandating that all temporary use payments be made before the construction contractor takes possession of the strip. Following construction, the land will be restored to its pre-construction productive condition within six months of works completion on each segment, with independent soil quality verification as described in Section 14.5.

Valuation methods where market data are thin. For agricultural land categories where comparable voluntary sales transactions are insufficient to establish market replacement cost — a frequent occurrence for Classes I–III arable land in rural Serbia where land rarely changes hands — the RCS valuer will use one or more of the following methodologies: (i) income capitalisation, applying a capitalisation rate consistent with local agricultural lending rates to the annual net income achievable from the land at its current productive classification, based on district average yields and commodity prices published by the Serbian Institute for Statistics and Ministry of Agriculture; (ii) cost of equivalent productivity, estimating the investment required to bring lower-classification land up to equivalent productive capacity; or (iii) hedonic pricing, adjusting observed transaction prices for parcels of different classification, size, or location using regression

[5] From interviews with legal officials it was stated that 30% is typically the minimum that is applied in Serbia for incomplete expropriation.

analysis where a sufficient dataset of regional transactions is available. The chosen methodology and supporting data will be documented in the RCS and disclosed to PAPs before compensation negotiations commence.

7.4 Valuation of Non-Agricultural Land

Non-agricultural (urban or commercial) land will be valued at current market value per square metre for equivalent use, location, and access, based on recent comparable sales.

Non-agricultural land categories likely to be affected along the project corridor include: residential curtilage and garden plots appurtenant to farmsteads near facility sites; commercial or industrial land at or near compressor station or VMRS locations; and forest land (addressed separately under Section 7.5 for tree compensation, with land compensation under this section). For all non-agricultural categories, the valuation basis is the current market price per square metre for land of equivalent use, location, infrastructure access, and zone designation, drawn from recent voluntary sales transactions within the same cadastral municipality or a comparable nearby municipality. Transactions used as comparables must be voluntary arm's-length sales; forced sales, distressed disposals, and transactions involving the project itself will be excluded.

7.5 Valuation of Structures and Buildings

Structures will be valued at the cost to construct an equivalent structure of the same size and quality using current local materials and labour costs, without depreciation. Replacement includes walls, roof, foundations, finishes, and utility connections.

For structures with a valid building permit the RPF requires compensation at current full reconstruction cost, without depreciation: the cost of constructing a new building of equivalent floor area, layout, construction type, and finish quality using current market rates for materials and labour in the project area, including the cost of reconnecting to water, electricity, gas, and wastewater services.

Where physical displacement of a primary residence is required, compensation must be sufficient to enable the affected household to construct or purchase a replacement dwelling of at least equivalent size, quality, and standard of habitability, with secure tenure.

For informal and unlegalized structures (Category C PAPs). The 2021 Amendment to the Law on Expropriation (OG 111/2021) introduced a provision entitling owners of illegal buildings subject to pending legalisation to compensation at "construction value". Construction value under Serbian practice is broadly equivalent to depreciated reproduction cost and may be lower than full replacement cost where material and labour costs have risen since the structure was built. This RPF applies full replacement cost — identical to the standard for legalised structures — to all affected structures regardless of their legal status or the formal tenure of the occupant (ESS5, Annex 1, Para. 20(c)).

Construction value determined under OG 111/2021 serves as a floor, not a ceiling; the PIU will top up to full replacement cost from project funds. No deduction will be made for the absence of a building permit or pending legalisation proceedings. This approach is a gap-filling measure identified in Section 4.3 of this RPF and applies to all PAP categories, including Category C informal occupants.

7.6 Valuation of Crops and Perennial Plants

Under the Law on Expropriation (OG 53/1995), easement compensation is defined as the diminution in market value of the burdened land (Article 53) and does not explicitly require separate itemised compensation for standing crops destroyed during construction, lost income during the construction season, or the multi-year income loss associated with clearance of perennial orchards and vineyards within the ROW. The Law on Agricultural Land (OG 62/2006) and the Energy Law require payment for crop damage but leave the method of calculation to negotiation or court determination. This RPF requires explicit, itemised, and independently verified compensation for each crop and vegetation category, as set out below.

For annual crops (grain, maize, sunflower, vegetables, industrial crops) compensation equals the net market value of the standing crop at the time of clearance: expected yield per hectare (based on district average yields from Serbian Institute for Statistics data for the most recent three-year period) multiplied by the current wholesale market price for the crop, minus estimated harvest and marketing costs. If construction begins after the planting season but before harvest, the full season's expected net income is compensated. If construction begins before planting, compensation equals one season's average net income per hectare for the dominant crop type in the locality (based on the same statistical baseline). The PAP must be given at least 30 days' written notice to harvest before the working strip is cleared; if notice is not given, the full compensation is paid without reduction for the harvested value of crops the PAP was unable to collect.

For perennial fruit orchards and vineyards compensation comprises two components: (i) the annual net production income lost during the species-specific re-establishment period — the time from planting of replacement stock to the year the replacement planting reaches full productive maturity — calculated as annual net income per hectare at current district benchmark prices, multiplied by the number of years to productive maturity; and (ii) the cost of establishing replacement planting, including purchase of certified grafted nursery stock at current nursery prices, soil preparation, planting labour, staking, protective fencing, and irrigation where applicable to the re-establishment phase. Species-specific years-to-maturity benchmarks, confirmed by independent agronomist, are: apple (5 years); plum (4 years); pear (5 years); cherry (5 years); apricot (4 years); walnut (7 years); vineyard (5 years for wine grape, 4 years for table grape). An independent agronomist will be engaged by the PIU for all orchard and vineyard assessments involving more than 0.5 ha or where orchard income exceeds 20% of total household income for the affected PAH.

For timber trees (commercial poplar, oak, and other species) compensation equals the current market value of the standing timber at sawmill gate price, by species and diameter class, assessed by an independent forestry valuer. For state forest, no land compensation is due; Government designated expropriation beneficiary / asset owner coordinates with the Forest Directorate (Ministry of Agriculture) for harvesting rights and payment of statutory forest conversion fees under the Law on Forests (OG 30/2010). For private forest, land compensation under Section 7.2 applies in addition to timber value.

For ornamental, shade, and non-commercial trees compensation equals the current nursery replacement cost for an equivalent species and comparable size (caliper or height), sourced from a local or regional horticultural supplier.

7.7 Valuation of Business Losses

Business loss compensation addresses economic displacement affecting commercial and non-agricultural productive enterprises on or adjacent to project-affected land. The RPF treats business loss compensation as a mandatory project obligation, independent of and supplementary to any amounts determined under Serbian expropriation proceedings, as a gap-filling measure per Section 4.4.

Temporary business disruption. Where construction activity disrupts a business that can re-establish at the same or a nearby location after works are completed, compensation equals the net profit lost for the verified period of disruption. Net profit is calculated from the most recent two years of tax records or certified business accounts, averaged to smooth seasonal variation. Where formal accounts are unavailable or incomplete — a common situation for small and informal rural businesses — the PIU will use sector-specific income benchmarks drawn from national statistics or comparable projects, agreed with the affected business owner. The minimum compensation payable is three months of average monthly net profit, regardless of actual disruption duration, to account for recovery time after resumption. This minimum floor is a gap-filling commitment that goes beyond any Serbian law entitlement.

Permanent business closure. Where a business cannot re-establish at an alternative location — for example, where the business is intrinsically tied to the affected land (a roadside service point, a farm-gate retail operation, or a tourism business dependent on the specific location) — compensation is calculated as: (i) the replacement cost of all business assets that cannot be relocated (fixtures, equipment, fit-out, stock) per the applicable asset category in this section; plus (ii) net profit for a minimum transition period to be determined by the provided Resettlement Action Plan, to cover the period of income loss while the owner pursues alternative livelihood arrangements. The determination of whether a business closure is temporary or permanent will be made jointly by the PIU and an independent social assessor, based on an assessment of the business's viability, the availability of alternative sites, and the owner's own preference and capacity to re-establish. Where formally employed workers lose employment due to project-related business closure, a separate transition allowance of three months' equivalent wages per worker will be paid by the project (entitlement F5 in the Entitlement Matrix).

7.8 Valuation of Other Assets

Several asset categories that are commonly affected by gas pipeline construction require explicit treatment in this RPF. Each is addressed below.

Fences, boundary walls, and gates. Compensation equals the current market cost per linear metre to construct an equivalent boundary structure of the same material (wire, concrete post, masonry, timber) and height, using current local labour and materials rates, without depreciation. The contractor is responsible for re-installing boundary structures at the edge of the permanent ROW following construction, so that field boundaries are restored; compensation covers only those boundary structures within the permanent ROW that cannot be fully reinstated.

Wells, boreholes, and cisterns. Compensation equals full replacement cost: the current cost of drilling or excavating a new well or borehole of equivalent depth and yield at a suitable location on the same parcel or an agreed alternative, including lining, pump installation, electrical connection, and commissioning. If a well or borehole that serves as the primary household water source is temporarily disrupted during construction, the contractor must supply an alternative water source at no cost to the affected household for the duration of the disruption. This obligation is a contractual requirement included in the civil works ESMP.

Irrigation systems (channels, pipes, pumps, and distribution infrastructure). Compensation equals the current replacement cost of an equivalent irrigation system of the same capacity and coverage, including all civil works, pipe or channel installation, pump units, electrical connections, and control infrastructure. Where pipeline construction disrupts irrigation during an active cropping season, the contractor must provide interim irrigation arrangements at no cost to the affected PAP, or pay compensation for the resulting crop loss under Section 7.5. Irrigation infrastructure is inventoried and condition-assessed during the RAP asset inventory as part of the baseline survey (Section 9.3).

Grazing rights and water rights. For PAPs with formal or customary rights to graze livestock on affected land, or with formal water use rights, compensation is calculated as the equivalent annual net income value of those rights for the period of loss — i.e., the net income that the PAP would have derived from livestock production or water use on the affected area during the period the right is suspended or extinguished. For temporary construction-period disruption, compensation covers the number of affected grazing or cropping seasons. For permanent ROW restrictions that curtail grazing within the easement strip, a capitalised lump sum based on the estimated annual net income foregone will be included in the easement compensation calculation under entitlement

B1 of the Entitlement Matrix. These entitlements apply regardless of whether the right is formally registered, consistent with ESS5's recognition of customary and unregistered use rights.

8. Entitlement Matrix

8.1 Overview

The Entitlement Matrix sets out standardised compensation and assistance entitlements for each type of land, asset, and livelihood impact and for each category of project-affected person (PAP). It is structured into eight sections: (A) permanent land acquisition; (B) pipeline ROW easements; (C) temporary land use during construction; (D) loss of structures; (E) loss of crops and vegetation; (F) business and livelihood losses; (G) physical relocation; and (H) special measures for significantly affected and vulnerable households. The matrix will be incorporated into each subproject RAP and refined for site-specific conditions. Where Serbian law establishes a lower standard than ESS5, the higher standard applies (Section 4.3 and Annex 2). All RSD monetary amounts should be verified and updated at the time of RAP preparation to reflect current prices.

8.2 Summary Entitlement Matrix

Entitlements are set out in the Table below.

Table 3: Entitlement Matrix

Type of Loss / Impact	Entitled Party	Unit	Compensation and Assistance Measures	Implementation Notes
A. Permanent Acquisition of Land				
A1. Agricultural land — arable, irrigated, or horticultural	Legal owner with formal title (Cat A)	Per ha or m^2	Cash at full replacement cost: current market price for land of equivalent productive capacity and location in the same municipality, based on independent valuation. No deductions for depreciation, transaction costs, or taxes. Land-for-land exchange offered where equivalent public or project land is available.	Where comparable sales are insufficient, independent replacement cost study sets the benchmark. Land-for-land formally documented.
A1.	Registered tenant / leaseholder (Cat B)	Per remaining lease period	Pro-rated compensation for unexpired lease term at annual rental equivalent, plus compensation for standing crops and productive investments. Compensation for land paid to landowner (Cat A) separately.	Lease term and rate verified from registered lease agreement.
A1.	Informal user without title (Cat C)	Per growing season	Compensation for standing crops, trees, and improvements only (Sections E and D). No compensation for land. Livelihood restoration assistance provided where income loss is significant.	Livelihood restoration package (H1) triggered if loss ≥10% of productive assets.
A2. Pasture and meadow	Owner (Cat A) / Registered user (Cat B)	Per ha	Replacement cost of equivalent pasture in the locality.	Grazing income loss calculated at annual net income from livestock on affected area.
A3. Productive orchard / vineyard	Legal owner (Cat A)	Per ha — land + income	Replacement cost of land PLUS lost production income for the period to re-establish at full productive maturity. Typical periods confirmed by independent agronomist: apple 5 yrs; plum 4 yrs; walnut 7 yrs; vineyard 5 yrs; cherry/pear 5 yrs. Annual net income based on district yield and commodity price data.	Agronomist engaged by PIU for orchards >0.5 ha or where orchard income >20% of household income.
A4. Private forest / woodland	Legal owner (Cat A)	Per ha	Replacement cost of land PLUS market value of standing timber by species and diameter class at current sawmill gate price.	For state forest: no land compensation; Government designated expropriation beneficiary / asset owner coordinates with Ministry of Forestry for harvesting rights.

A5. Residential land (curtilage, garden)	Legal owner (Cat A)	Per m^2	Replacement cost of equivalent residential plot of same size, location, and infrastructure access. Owner may choose cash or – if available - equivalent replacement plot.	PIU assists with documentation and title regularisation where required.
A6. Commercial / industrial land	Owner (Cat A) / Registered user (Cat B)	Per m^2	Current market price per m^2 for equivalent commercial land in same zone, based on independent surveyor assessment. Business loss compensation (Section F) paid in addition.	
B. Permanent Pipeline Easement (Right-of-Way Restriction)				
B1. Pipeline ROW easement — use restriction within ROW strip (pipelines, above-ground connections)	Legal landowner (Cat A)	Lump sum per m^2 of ROW	Calculated per Art. 53 of the Law on Expropriation (incomplete expropriation) with market research to determine market loss of value of land – typically not less than 30% of value. Where the ROW restriction causes a material and ongoing reduction in business or agricultural income beyond the standing crops compensated under E1–E3, additional livelihood-loss compensation is assessed under F-3.	Under Serbian procedure PAP may negotiate before court referral. Court-set amounts supplemented to ESS5 minimum by project. Land value may be based on tax/rate value and not reflect market value.
B2. Pipeline ROW — registered tenant	Registered tenant / leaseholder (Cat B)	Per remaining lease year	Annual crop/income loss within ROW for the remaining registered lease period.	No additional payment after lease expiry. Crop compensation also paid under Section E.
B3. Pipeline ROW — informal user	Informal user (Cat C)	One growing season	Compensation for permanent loss of income-earning use within the ROW, calculated as the net annualised income from the affected area for the period reasonably required to restore equivalent income through livelihood restoration assistance (H1). Compensation for standing crops and trees is paid separately under Section E. For perennial trees within informal-occupancy plots, the RAP will specify a bespoke assessment method.	Livelihood restoration (H1) triggered if income loss is significant.
B4. Above-ground facility permanent land take (compressor station, VMR, pig launcher/receiver)	All categories	Per m^2	Full permanent acquisition at replacement cost per Section A rates (A1–A6 by land type). Full acquisition — not easement rate.	Facility footprint minimised through micro-siting (ESS5 Para 5). Confirmed in cadastral survey.
C. Temporary Land Use — Construction Working Strip and Access				

C1. Productive agricultural land used temporarily during construction	All categories (proportional to interest held)	Per season or per year	Rental at prevailing local market rate per season for equivalent land type. Land restored to pre-construction condition and productivity within 6 months of works completion, including topsoil reinstatement. If restoration delayed beyond 6 months, rental continues until full restoration.	Restoration criteria and deadlines specified in RAP and civil works contractor ESMP.
C2. Standing crops destroyed during construction	All categories	Per crop / per season	Compensation for standing crops destroyed during construction is set under E1 (annual crops) and E2 (perennial crops). Written notice of at least 30 days to harvest before site clearance is a non-negotiable condition of site access; failure to give notice triggers full crop compensation without reduction under Section E.	Written notice documented in PIU records. 30-day minimum is non-negotiable.
C3. Residential land (garden, curtilage) used temporarily	Owner (Cat A) or occupant	Per month	Market rent for residential land in locality for duration of use; full restoration of garden, planting, access, and boundary structures on completion.	If restoration not completed within 3 months of works completion, additional cash compensation for ongoing disruption is paid.
C4. Temporary access roads across private land	Owner (Cat A) / User (B/C)	Per month	Rental for period of use; full removal of access track and surface restoration on completion. Existing access infrastructure shared in preference to new clearance.	Access track specs and restoration obligations written into civil works contract.
D. Loss of Structures and Fixed Built Assets				
D1. Primary residential structure (main dwelling)	Legal owner with title (Cat A)	Per structure	Full replacement cost: cost to construct equivalent structure of same size and standard using current local materials and labour — no deductions for depreciation, age, or condition. Includes walls, roof, floors, finishes, doors, windows, utility reconnections (water, electricity, sewage). PAP chooses: (i) cash at replacement cost; or (ii) fully constructed replacement dwelling of equivalent standard at a comparable location provided by the project or self-identified and within reasonable distance of project.	Replacement housing offered at RAP preparation stage. Title to replacement structure regularised in PAP's name by project.
D2. Primary residential structure — registered tenant	Registered tenant (Cat B)	Per structure or household	If tenant owns the structure on rented land: replacement cost as D1. If structure belongs to the landowner: 3 months' equivalent rent as disturbance allowance. Moving allowance (G1) paid in all cases.	Lease/rental agreement reviewed to determine ownership of structure.

D3. Primary residential structure — informal occupant	Informal occupant (Cat C)	Per structure	Full replacement cost, calculated identically to D1, without deduction for informality of tenure or illegality of structure. No compensation for underlying land. Title to replacement structure regularised where legally feasible.	Entitlement is unconditional regardless of legal status of occupancy (ESS5 Para 20(c)).
D4. Secondary / auxiliary structure (garage, storage, outdoor kitchen, workshop)	All categories	Per structure	Replacement cost per D1 methodology applied to the specific structure type.	
D5. Commercial or business structure	Owner (Cat A) / User (Cat B)	Per structure	Full replacement cost. Business income compensation (Section F) paid additionally.	
D6. Agricultural structure (barn, animal shed, grain store, greenhouse, equipment shed)	All categories	Per structure	Full replacement cost at current construction prices for equivalent structure of same functional type.	
D7. Boundary wall, fence, or gate	All categories	Per linear metre	Current market cost to construct equivalent boundary structure of same material and height.	
D8. Water well, borehole, or cistern	All categories	Per unit	Full replacement cost: drilling or excavation, lining, pump installation, and reconnection. Temporary water supply provided by project if primary household water source is disrupted during construction.	Temporary water supply obligation in civil works ESMP.
D9. Irrigation infrastructure (channels, pipes, pumps)	All categories	Per system / linear metre	Replacement cost of equivalent irrigation system at same capacity and coverage, including all installation costs.	Temporary irrigation arrangements during cropping season documented in RAP.
D10. Septic tank, cesspit, or sanitation system	All categories	Per unit	Replacement cost of equivalent sanitation system at current prices.	
E. Loss of Crops, Trees, and Vegetation				
E1. Standing annual crops (grain, maize, sunflower, vegetables, industrial crops)	All categories	Per ha or per plot	Net market value: (expected yield per ha × local market price) minus harvest and marketing costs. Based on district average yields and current commodity prices.	PAP given 30-day written notice to harvest before clearance. If notice not given, full compensation paid without reduction.

E2. Annual crops not yet planted (bare fallow) but where land access prevents seasonal cultivation	All categories	Per ha	One lost growing season: average net income per ha for predominant annual crop in the locality, based on district agricultural statistics.	Applies to land cleared during non-cropping window.
E3. Perennial fruit orchard (apple, plum, pear, cherry, apricot, walnut)	All categories	Per tree or per ha	(i) Annual net production income × species-specific years to productive maturity (apple 5; plum 4; walnut 7; cherry/pear 5 — confirmed by independent agronomist); PLUS (ii) nursery price for replacement grafted stock of equivalent species.	Independent agronomic assessment for orchards >0.5 ha or where orchard income >20% of household income.
E4. Vineyard	All categories	Per ha	Lost production income for re-establishment period (5 years typical) PLUS re-planting and trellis establishment costs. Wine grape and table grape differentiated; cooperative benchmark prices used.	
E5. Commercial timber trees (poplar plantation, other commercial species)	All categories	Per tree or per ha	Market value at current sawmill gate price, by species and diameter class.	Independent forestry valuer engaged for plantations >1 ha.
E6. Non-commercial / ornamental / shade trees	All categories	Per tree	Current nursery replacement cost for equivalent species and size.	
E7. Culturally or spiritually significant trees or groves	Affected household or community	Per tree / grove	Replacement cost plus cultural significance allowance agreed with affected household or community. Project avoidance required; removal only with PIU Director authorisation and community agreement.	Community consultation mandatory before removal. Documented in RAP.
F. Loss of Business Income and Livelihoods				
F1. Temporary business disruption (business resumes at same or nearby location)	Business owner or operator	Per month of disruption	Average monthly net profit for duration of disruption, based on tax records / business accounts (preferred), or PIU-agreed sector benchmark where records unavailable.	Sector benchmarks drawn from national statistics or comparable projects.
F2. Permanent business closure (cannot re-establish elsewhere)	Business owner	Lump sum	Average monthly net profit × period to be defined by individual RAP PLUS replacement cost of business assets that cannot be relocated (fixtures, equipment, stock) PLUS replacement cost of structure (Section D).	Permanent closure determination made jointly by PIU and independent social assessor.

F3. Agricultural income loss — permanent ROW restriction	All categories with land in permanent ROW	Capitalised annual loss	Annual net income from affected ROW land area × capitalisation factor (present value over minimum 20-year period). Incorporated into the ROW easement lump-sum payment (Section B1) — not paid separately.	This component is the basis for the 30% replacement cost minimum in B1.
F4. Agricultural income loss — temporary (construction period only)	All categories	Per growing season	Net income per ha per growing season × number of affected seasons. Incorporated within temporary land use rental payment (Section C1) — not paid separately.	
F5. Loss of formal employment on affected farm or business	Employees of affected enterprises	Per employee	3 months' equivalent wages as transition assistance, where affected enterprise employs formal workers who cannot be immediately re-deployed.	Applies only to formally employed workers. Self-employed / family labour covered under F1/F2.
G. Physical Relocation Assistance				
G1. Moving and transport costs	All physically displaced households	Per household	Actual documented cost of transporting household effects; or distance-based lump sum (amounts to be confirmed in RSD at RAP preparation based on current rates): <10 km — fixed lump sum; 10–30 km — higher lump sum; >30 km — actual documented cost. Cash advance paid before displacement occurs.	PIU to publish current RSD lump-sum scale at RAP preparation date.
G2. Temporary accommodation	All physically displaced households	Per household per month	Market rent equivalent for comparable temporary accommodation in the locality. Up to 6 months where transition is complex. Paid directly to household or, at household request, to provider.	Project ensures accommodation is available before household is required to vacate.
G3. Disturbance allowance	All physically displaced households	Lump sum per household	Percentage of compensation amount for fixed assets (usually 15%). Paid in addition to, and separately from, asset replacement and moving allowance.	
G4. Replacement residential plot	Physically displaced households needing new residential land	Per household	Replacement plot of equivalent or better size, location quality, and infrastructure, with secure title. Offered alongside cash-equivalent option. Any cost differential covered by project.	Household must formally confirm acceptance before prior dwelling is vacated.
G5. Host community infrastructure	Communities receiving relocated PAHs	Per community assessment	Where significant PAH numbers relocate to a single host community: assessment of host community service needs and	Host community consultation required at RAP preparation. Budget line included in RAP.

			proportionate project investment in shared water, sanitation, road, or community facility infrastructure.	
H. Special Measures and Additional Assistance				
H1. Severe impact — loss of ≥10% of productive assets	All PAHs meeting severity threshold	Per household	Supplementary payment equal to one additional year's net income from the affected assets, on top of all standard asset compensation. Plus eligibility for full livelihood restoration programme (agricultural input support, vocational training, or business re-establishment grant as applicable to household livelihood type).	Severity calculated against total productive asset base in RAP household survey. Qualifying households tracked in dedicated monitoring register throughout implementation.
H2. Vulnerable household — enhanced allowance and support	Vulnerable PAHs: as defined by the individual RAPs	Per household	Priority scheduling for payment and relocation. Dedicated PIU social officer assigned. Enhanced post-resettlement welfare monitoring (quarterly for first year post-relocation). Referral to government social assistance programmes. For physically displaced vulnerable households: moving assistance provided in-kind.	Vulnerability status determined during census using screening criteria in Section 5.1. Vulnerability register maintained throughout RAP implementation.
H3. Informal users on state-owned land (encroachers on public land in ROW)	Category C — informal users of state land	Per household	Compensation for structures (replacement cost, Section D), crops (Section E), and other improvements. No compensation for land. Physical displacement assistance (G1–G3) where primary residence must be relocated.	ESS5 Para 20(c) applies unconditionally — entitlement not conditioned on legality of occupancy.
H4. Roma and ethnic minority households	Roma and other ethnic minority PAHs	Per household	All standard entitlements per Categories A/B/C fully apply. Additionally: language-appropriate consultation materials and field interpreter support; documentation assistance for tenure regularisation where feasible; dedicated social worker engagement; culturally sensitive scheduling of compensation meetings and relocation activities.	Engagement planned in coordination with local Roma mediators and municipal Roma coordinators.
H5. Common property resources (village paths, water points, communal grazing, community wells)	Affected communities	Per facility	Restoration or replacement of equivalent community access infrastructure, agreed with the affected community. Replacement confirmed to provide equivalent functional capacity within project area or adjacent.	Community resolution confirming acceptance of replacement required before asset removal.
H 6. Community service and other infrastructure developed by the Municipality	Affected Municipality	Per Facility	Restoration or replacement of equivalent. Replacement confirmed to provide equivalent functional capacity within project area or adjacent.	

H7. Graves and burial sites	Affected households and communities	Per grave / site	Relocation of graves and human remains carried out by the project with explicit family consent and in accordance with Serbian legal requirements (Law on Cemeteries) and cultural/religious practice. All costs borne by the project.	Grave relocation not to proceed without family consent. If family cannot be traced, PIU follows Serbian legal procedure for unidentified remains.

9. Socioeconomic Survey and Census and Vulnerability Screening Procedures

A detailed Terms of Reference for the development of a Resettlement Action Plan is provided in the Scoping report and appended to this report. Section 10 summarises the principle conditions for resettlement planning However, the key aspects of the development of a Resettlement Action Plan pertaining to surveys, asset inventories and vulnerability analysis are summarised below.

9.1 Baseline Socioeconomic Survey

A baseline socioeconomic survey will be conducted to establish the data needed for monitoring and to characterise the livelihoods, income sources, land tenure, and vulnerability of the affected population.

- Methodology: Household survey covering 100% of PAP households (or a representative sample for large subprojects), supplemented by key informant interviews and focus group discussions.
- Key data: Household demographics, land use and tenure, income sources, assets, access to services, vulnerability indicators (as detailed in Section 9.4 below), and ethnic and social composition.

9.2 Census of Affected Persons

A 100% census of all households and businesses within the confirmed impact footprint will be conducted simultaneously with a detailed asset inventory.

- Purpose: Identify all PAPs, document their assets, establish entitlements, and set the cut-off date.
- Outputs: PAP register; asset inventory database; entitlement calculations.

9.3 Asset Inventory

A joint survey will be conducted with PAPs through a walk-over of all affected assets, with physical measurement, photography, and recording. Cadastral cross-referencing will be used to confirm ownership records. Assets to be recorded include:

- Land parcels (area, class, and land use)
- Structures (dimensions and construction type)
- Crops and trees (species, quantity, age, and maturity)
- Other assets (fences, wells, irrigation infrastructure)

9.4 Vulnerability analysis

As part of the baseline survey data will be collected for a detailed vulnerability assessment of those property and asset owners who may, as per ESS5 definitions be deemed to be potentially vulnerable by way of being disproportionately impacted by the process of resettlement. The vulnerability assessment framework applied in this RPF draws on five categories — socio-economic status, land tenure status, demographic characteristics, level of education, and health status — each of which carries a distinct set of attributes and potential consequences in a resettlement context. These categories are applied below to the specific profile of rural agricultural households expected to constitute the majority of project-affected persons along the Trupale–Pojate corridor and future project phases.

As indicated the pipeline corridor for Phases I and II traverses predominantly agricultural land. This is a region characterised by aging rural populations, smallholder farming structures, significant rates of out-migration by working-age household members, and strong dependence on land-based livelihoods. National statistical data for the project region consistently show higher rates of poverty, lower average incomes, weaker access to services, and a higher proportion of households at or near subsistence than the national average. These structural conditions mean that even modest and temporary land access disruptions carry a disproportionate risk of harm for a share of the affected population that is larger than would be the case in more economically diversified project areas. Early and systematic vulnerability identification is therefore both an ESS5 compliance requirement and a practical precondition for effective RAP design.

9.4.1 Socio-Economic Status

Households with low income, limited non-land assets, and high dependence on agricultural production from the affected land are at heightened risk of impoverishment as a result of resettlement-related disruption. Along the project corridor, low socio-economic status manifests in several interconnected ways that are specific to the Serbian rural context.

Small-scale subsistence and semi-commercial farming households — the predominant land use type along the corridor — potentially derive a large share of household income directly from the land subject to the pipeline easement. Subsistence farmers have limited buffers against income loss during construction seasons. A single season of disrupted planting or harvest can exceed the household’s annual cash income and cannot be recovered from savings or credit. The risk is compounded by the structure of Serbian smallholder agriculture: farm holdings are typically fragmented across multiple small parcels, and the loss or temporary restriction of even one parcel can disrupt crop rotations, irrigation arrangements, and shared machinery access on connected parcels not directly within the working strip.

Households whose primary productive assets are orchard or vineyard plantings within the ROW are particularly exposed: permanent clearance of an orchard represents an irreversible loss of both an income stream and a capital asset that may have taken decades to establish. Rural households in the southern and eastern Serbia region also frequently lack access to formal banking, making lump-sum cash compensation difficult to manage and reinvest productively without dedicated support.

Screening indicators. The baseline household survey will screen for: household income below the national statistical poverty line or below the regional average for rural Southern and Eastern Serbia; no income source other than own-farm production; ownership of no motorised vehicle and no tractor or shared machinery arrangement; loss of more than 20% of total cultivated area or 20% of annual household agricultural income due to the project; and households without a bank account or registered agricultural holding.

Targeted response. Households meeting one or more of these indicators will be classified as socio-economically vulnerable and will receive: a vulnerability top-up allowance above the standard compensation amounts set out in the Entitlement Matrix (Section 8, entitlement H1); priority access to livelihood restoration programmes (Section 11); dedicated follow-up during the post-construction monitoring period to verify income recovery; and facilitated access to relevant Serbian social support programmes (social assistance, agricultural subsidy schemes) through the PIU Community Liaison Officers.

9.4.2 Land Tenure Status

Households without formal legal ownership or with incomplete or disputed cadastral registration of their land are significantly more vulnerable in the context of the Government designated expropriation beneficiary / asset owner expropriation process, which is administered through the formal cadastre. Three tenure irregularity patterns are particularly prevalent along the rural Serbian corridor and require specific attention in the RAP census and vulnerability assessment.

Unregistered inheritance. In rural Serbia, agricultural land frequently passes between generations through informal inheritance without formal probate proceedings or cadastral re-registration. The land continues to be cultivated by the heir and treated as family land, but the cadastre still records the deceased original owner. When expropriation proceedings are initiated, the registered owner cannot be located or may be deceased, leaving the actual cultivating household without formal standing in the expropriation process and therefore at risk of receiving no compensation under the standard OG 53/1995 procedure. This situation is particularly common in villages with high out-migration rates, where the heir may themselves reside away from the parcel and return only for seasonal cultivation.

Informal tenancy and sharecropping. A significant proportion of agricultural land along the corridor is cultivated by persons who are not the registered owner: informal tenants paying cash rent; sharecroppers under oral agreements; and households cultivating land belonging to absent relatives or neighbours on an informal basis. These Category B and C PAPs have limited standing under the statutory expropriation procedure, which is structured around registered cadastral ownership. A census methodology that relies solely on cadastral records would therefore not capture them systematically. The RPF-required census approach (Section 9.3), which combines cadastral extracts with in-field verification, community mapping, and outreach through Roma coordinators, is designed specifically to close this identification gap.[6] Where land is their primary or sole livelihood source, they face abrupt income loss without any formal legal claim to compensation.

Roma households and other informal occupants. Roma communities in the project area may occupy land informally without any registered title or tenancy arrangement. They face the compound vulnerability of insecure tenure and exclusion from formal administrative processes, and have limited recourse to social support services even where they are in need. The RPF requirement (Section 4.3) to extend compensation for structures, crops, and improvements to all informal users regardless of tenure status (Category C) directly addresses this gap, but proactive census methodology — including community mapping and outreach through Roma coordinators — is required to identify these households before they are missed.

Screening indicators. The RAP census will include a systematic check of: discrepancy between cadastral registered owner and the person in actual cultivation or occupation identified during field survey; land being cultivated under an oral agreement with no written lease; land registered in the name of a deceased person; land held under undivided co-ownership with some co-owners absent or uncontactable; and structures or dwellings without a building permit or legalisation proceedings.

Targeted response. Households with irregular tenure will be referred to the PIU's Social Officer for individual case management. The PIU will provide, or fund access to, legal assistance to resolve cadastral registration issues before the compensation payment stage where this is feasible within the project timeline. Where registration cannot be resolved before payment, escrow arrangements will be used to hold compensation funds securely pending resolution. All informal cultivators and occupants will be registered in the PAP database and will receive the full entitlements applicable to their PAP category regardless of their absence from the cadastral register.

9.4.3 Demographic Characteristics

The demographic profile of rural Serbian agricultural communities along the project corridor is shaped significantly by decades of out-migration of working-age adults toward Belgrade, Niš, and abroad. This has produced a residual population that is older, more female-headed, and more dependent per capita than the national average — demographic characteristics that translate directly into elevated vulnerability in a resettlement context.

Elderly-headed households farming alone. A high proportion of the rural farming population in the southern and eastern corridor is over 65. Elderly household heads

[6] It should be noted Srbijagas indicated that they have experience with this issue and ensure that where there are tenant farmers then they are included in the compensation negotiations and agreements.

farming small plots with minimal mechanisation — often because their adult children have migrated — face acute practical difficulties during construction: they may lack the physical capacity to respond quickly to access restrictions, to relocate stored equipment or farm inputs, or to navigate bureaucratic compensation procedures. An elderly farmer whose orchard is cleared within the ROW cannot simply re-establish it on alternative land; the re-establishment period for productive maturity (up to seven years for some species) exceeds a realistic productive horizon. Compensation calculations must account for this, and livelihood restoration assistance must be adapted to provide alternative income support rather than replanting assistance for elderly PAPs.

Female-headed households. Women-headed households — including widows of deceased male owners, and households whose male head is a labour migrant — are statistically over-represented in the rural Serbian farming population in the corridor area. They often have lower social capital in formal administrative settings and, in traditional rural communities, may be less likely to attend public consultation meetings or assert their rights in individual compensation negotiations without targeted outreach. Under Serbian expropriation practice, compensation is paid to the registered owner, who in rural areas is disproportionately the male head; where that person is deceased or absent, a female-headed household may face procedural barriers to receiving payment. The RPF gender-sensitive provisions (Section 4.3) require joint payment where land is co-owned by spouses, and the census must specifically identify and register female-headed households as a distinct PAP sub-group.

High dependency ratio households. Households with multiple dependents — whether children, elderly relatives, or persons with disabilities — relative to income-earning members face proportionally greater consequences from even temporary income disruption. In a household where one adult earner farms a small plot to support three or four dependants, a construction-season disruption is not an inconvenience but a household-level food security event. These households require priority scheduling of compensation payments to ensure cash availability before, not after, the planting and growing season is disrupted.

Screening indicators. The census will record: age of household head (flagging households headed by persons over 65); whether the household head is female and whether there is no adult male member resident; the number of dependants relative to income earners; whether any household member has a registered disability (as per Serbian social protection records); and whether there are school-age children in the household (relevant to educational disruption if physical relocation is required).

Targeted response. Demographically vulnerable households will receive: dedicated Community Liaison Officer (CLO) support throughout the compensation process; home visits as the primary consultation modality rather than reliance on public meetings; a vulnerability assistance allowance (Entitlement Matrix H2); where elderly PAPs face long re-establishment periods for perennial crops, the option of capitalised long-term income compensation in lieu of replanting assistance; and, where physical displacement is required, priority allocation of replacement housing or plots with accessibility requirements met.

9.4.4 Level of Education

Low educational attainment is correlated with limited ability to navigate formal administrative and legal processes — a vulnerability that is directly activated in a resettlement context, which requires PAPs to understand their rights, evaluate compensation offers, sign legal documents, manage bank accounts, and engage with grievance mechanisms. This risk is structurally present in the project corridor area.

Older rural residents, particularly in villages that experienced significant educational infrastructure decline after the 1990s, may have completed only primary schooling. Roma community members face particularly high rates of functional illiteracy relative to the general Serbian population. Low literacy directly limits the ability of a PAP to: read and understand a formal expropriation notice or compensation offer; independently assess whether an offer is fair relative to RPF standards; submit a written grievance; or participate effectively in a compensation negotiation without assistance. A PAP who is unable to independently evaluate a compensation offer relies on the explanation provided by the expropriation beneficiary and by the PIU, which places a corresponding responsibility on both to ensure that information is presented in plain language, that independent verification of the offer against the RPF entitlement standard is available on request, and that the PAP has a genuine opportunity to seek independent advice before signing. The Community Liaison Officer role (Section 13) and the GRM (Section 12) are the primary safeguards for this.

Screening indicators. The baseline survey will record the educational attainment of the household head and the primary adult member responsible for managing household financial and administrative matters. Households where the relevant adult has completed primary schooling only (or less) will be flagged; where there are indications of functional illiteracy or difficulty reading project documents, the CLO will note this and arrange for plain-language and verbal communication as the default modality for that household.

Targeted response. All project compensation information materials will be produced in plain Serbian, at an accessible reading level, with visual illustrations of key concepts. Verbal explanation of compensation entitlements and the GRM will be the primary communication method for low-literacy PAPs, conducted individually by CLOs. PAPs with limited literacy will be offered an independent review of their compensation offer by a third party (NGO or legal aid provider) funded by the project, before they are asked to sign any agreement. No compensation agreement will be considered valid where there is evidence that the PAP did not understand its terms.

9.4.5 Health Status

Poor health status — particularly chronic illness in the household head or a primary income earner — amplifies all other vulnerability factors. A farming household whose head has a serious chronic condition is already managing a high-stress, resource-constrained situation; the additional demands of engaging with expropriation proceedings, negotiating compensation, and managing construction disruption can be acutely destabilising. Food insecurity, which may already be present in the lowest-income subsistence farming households, can be triggered or worsened by a single disrupted growing season.

Rural Serbia faces public health challenges, including higher rates of cardiovascular disease, diabetes, and mobility-limiting conditions among older adults than in urban areas, combined with weaker access to primary healthcare in more remote villages. Households engaged in subsistence farming for own-consumption — common in older farm households in the corridor — may be food insecure at certain times of year and dependent on the seasonal production cycle for nutritional adequacy. Any interruption to this cycle can therefore have direct health consequences, not merely economic ones.

Screening indicators. The baseline survey will record: whether the household head or a primary adult member has a chronic illness or disability that limits their capacity to work on the farm or to manage administrative tasks; whether any household member is registered as disabled under Serbian social protection legislation; and whether the household is a recipient of any means-tested social assistance, which may be a proxy indicator for food insecurity or poverty.

Targeted response. Households where chronic illness or disability is identified will receive the vulnerability assistance allowance (Entitlement Matrix H2) and will be co-registered with the relevant municipal social welfare centre, which will be notified of the household's project-affected status so that additional social support can be activated as needed. Where physical displacement is required for a health-compromised household, the project will ensure that replacement housing is accessible and that health service access equivalent to the pre-displacement situation is available at the new location. Food insecure households will be prioritised for advance compensation payments timed to coincide with the planting season, to minimise the window of productive disruption.

9.4.6 Cumulative and Intersecting Vulnerability

The five vulnerability categories are not independent: they intersect and compound in ways that are particularly characteristic of the rural Serbian smallholder population along the project corridor. The household that is most at risk is the one where multiple factors co-occur — for example: an elderly widowed female household head (demographic) with only primary education (educational), farming land that is still registered in her deceased husband's name (tenure), on a small semi-subsistence plot (socio-economic), while managing a chronic health condition (health). Such households are not uncommon in the depopulated rural villages of southern and central Serbia, and the combination of factors means that each individual vulnerability is amplified by the others: the tenure irregularity prevents access to formal compensation; the educational barrier prevents understanding the GRM; the health condition limits capacity to respond; and the socio-economic position leaves no buffer.

The PAP database will record vulnerability flags across all five categories for each household, enabling a cumulative vulnerability score to be calculated. Households with two or more concurrent vulnerability flags across different categories will be classified as “significantly affected vulnerable households” (SAVHs) and will receive the enhanced support package set out in Entitlement Matrix Section H, in addition to all standard entitlements. SAVHs will be subject to enhanced monitoring throughout RAP implementation and for the duration of the post-construction monitoring period, with monitoring reports disaggregated to track their livelihood recovery against baseline levels.

9.4.7 Implementation of the Vulnerability Assessment

The vulnerability assessment is an integral component of the RAP census and baseline socioeconomic survey (Section 9.1), not a separate or subsequent exercise. The following sequencing will apply. During RAP preparation, the census questionnaire will include the full set of vulnerability screening indicators across all five categories. Enumerators will be trained to identify and flag vulnerability sensitively during field surveys, including through observation where household members are reluctant to self-report. Following census data processing, the PIU Social Officer will review all flagged households, conduct follow-up interviews where necessary, and assign vulnerability classifications. The vulnerability register will be maintained separately from the PAP compensation database but linked to it, so that entitlement calculations automatically reflect the applicable vulnerability top-ups.

Vulnerability classifications will be disclosed to the affected household during individual compensation consultations, with an explanation of what additional support they are entitled to receive. Households may contest their classification through the GRM. The external resettlement monitor (Section 14.5) will independently verify the completeness and accuracy of vulnerability identification as part of each monitoring mission, including through interviews with a random sample of non-flagged households to test for under-identification. Any systematic under-identification identified by the monitor will be reported to the World Bank as a compliance issue requiring corrective action.

10. Resettlement Planning

All projects causing physical or economic displacement through land acquisition or project-related restrictions on resource access or use are required to prepare a resettlement plan for World Bank approval. Responsibility for preparation and implementation of the RAP (or RAPs) rests with the Ministry of Mining and Energy. As necessary, Ministry of Mining and Energy will exercise its authority to coordinate actions with any other involved agencies, jurisdictions, or project contractors to promote timely and effective planning and implementation. Land acquisition and compensation negotiations under each RAP or LRP shall be led by the Ministry of Mining and Energy through the Project Implementation Unit, applying a single uniform procedure consistently to all affected persons, and shall not be delegated to construction contractors.

Screening during detailed design determines the resettlement instrument required for each Component 1 sub-project: a full Resettlement Action Plan (RAP) where physical displacement or significant economic displacement is expected, or a Livelihood Restoration Plan (LRP) where impacts are confined to economic displacement below that threshold. These screening criteria are applied as part of the process referred to in Section 3.5. In this Section, references to a RAP apply equally to an LRP, adapted to the nature and scale of impact.

RAP preparation begins once the physical footprint of a proposed investment has been determined, establishing that a particular site (or sites) must be acquired for project use. The Ministry of Mining and Energy initially screens proposed sites to identify current usage and tenurial arrangements and identifies the site (or sites) that will minimise physical and economic displacement. The Ministry of Mining and Energy subsequently carries out, or causes to be carried out, a census survey to identify and enumerate all displaced persons on the selected site (or sites) and to inventory and value land and other assets that are to be acquired for project use.

Where any part of the project footprint coincides with land over which rights were previously acquired or established for existing gas infrastructure — including pre-existing rights-of-way, servitudes or safety zones — RAP or LRP preparation shall be preceded or accompanied by a legacy land-acquisition audit. For each affected parcel, the audit shall verify whether prior compensation was paid at replacement cost, whether the signed agreement and documentary proof of payment exist, and whether the associated servitude and land-use restrictions are correctly registered in the cadastre.

Where the audit identifies unresolved, undocumented or inadequate prior acquisition — including compensation below replacement cost, unregistered servitudes, or land taken or affected without a valid legal basis (factual expropriation) — the RAP or LRP shall incorporate a legacy corrective-action plan setting out remedial measures, responsibilities, timeframe and budget. Such measures include verification of past payments, retroactive compensation or top-up to replacement cost, formalisation and registration of servitudes, and resolution of outstanding claims. This gives effect to ESS5 in respect of impacts that are linked to, or that arose in anticipation of, the project.

Each RAP is based on the principles, planning procedures, and implementation arrangements established in this RPF,[7] and normally includes the following contents:

a) Description of the project (with appropriate maps and illustrations), including explanation for the necessity of acquiring particular sites for project use and efforts undertaken to avoid or minimise the amount of land acquisition or other potential impacts deemed necessary
b) Results of a census survey of displaced persons and inventory and valuation of affected land and assets
c) Description of any project-related restrictions on resource use or access, including permanent right-of-way and safety-zone restrictions on land use, the resulting diminution in land value, and confirmation that the corresponding servitudes are registered in the cadastre
d) Description of tenure arrangements, including collective, communal, or customary use or ownership claims
e) Review of relevant laws and regulations pertaining to acquisition, compensation, and other assistance to displaced persons, and identification of gap-filling measures needed to achieve ESS5 requirements
f) Description of land and asset valuation procedures and compensation standards for all categories of affected assets, applying the replacement-cost methodology set out in Section 7 and not relying on tax-assessment or other tax-based values
g) Eligibility criteria for compensation and all other forms of assistance, including a cut-off date for eligibility
h) Organisational arrangements and responsibilities for RAP implementation
i) Implementation timetable
j) Estimated budget and financial contingency arrangements
k) Consultation and disclosure arrangements, including disclosure to and engagement with affected persons before entry into possession and before any certification that property relations have been resolved
l) Description of grievance mechanism, including intake and a register of any pre-existing or unresolved grievances relating to prior land acquisition within the footprint, and arrangements for their resolution (see Section 12.2)
m) Arrangements for monitoring implementation progress.

The RAP should be complemented by a separate set of individual compensation files for each displaced household or persons. Each file shall contain the signed compensation

[7] Additional details regarding preparation of an RAP are included in ESS5, Annex 1.

agreement and auditable documentary proof of payment, and the Project Implementation Unit shall maintain a secure document-management and archiving system that enables compensation and payment records to be retrieved and verified during implementation and after completion. These files are to be handled confidentially by the borrower to avoid any prejudice to displaced people. In fragility, conflict, and violence (FCV) environments, RAP/s should also clarify procedures to be applied to ensure the security of displaced persons when they receive compensation payments.

Each RAP or LRP shall also identify any land within the footprint that has been physically taken or permanently affected without a valid expropriation decision or agreement (factual expropriation) and provide for its regularisation, and shall set out entitlements and procedures for temporary occupation of land, compensation for construction-related damage, and full reinstatement of affected land to at least its pre-construction condition on completion of works.

Eligibility criteria for compensation and all other forms of assistance should be clearly summarised in a table that can be used for consultation with displaced persons (see example provided in Annex).

Additional planning measures must be incorporated into RAP/s for projects causing physical displacement, or significant economic displacement, as described below.

For projects causing physical displacement,[8] the RAP should include planning measures relating to the following, as relevant for project circumstances:

- Description of relocation arrangements, including options available to displaced persons, and including transitional support for moving or other expenses
- Description of resettlement site selection, site preparation, and measures to mitigate any impacts on host communities or physical environment, including environmental protection and management
- Measures to improve living standards and otherwise address particular needs of relocating poor or vulnerable households, including measures to ensure that replacement housing is at least consistent with minimum community standards and is provided with security of tenure
- Description of project design measures to improve living standards, access to or functioning of community services or facilities, or for providing other project-related benefits
- Any measures necessary to address impacts of resettlement on host communities.

[8] Additional details regarding planning measures for physical displacement are provided in ESS5, Annex 1, paras. 17–23.

For projects causing significant economic displacement,[9] the RAP describes (as relevant):

- The scale and scope of likely livelihoods-related impacts, including agricultural production for consumption or market, all forms of commercial activity, and natural resource use for livelihoods purposes
- Livelihoods assistance options (for example, employment, training, small business support, assistance in providing replacement land of equivalent productive value, other) available to people losing agricultural land or access to resources
- Assistance measures available to commercial enterprises (and workers) affected by loss of assets or business opportunities directly related to land acquisition or project construction
- Project measures to promote improvement of productivity or incomes among displaced persons or communities.

[9] Consideration of scale of loss of productive assets as well as changes in institutional, technical, cultural, economic, and other factors may be important in determining the significance of economic displacement. In general practice, however, loss of 10 percent or more of productive land or assets from a household or enterprise often is considered significant. Additional details regarding planning measures for economic displacement are provided in ESS5, Annex 1, paras. 24–29.

11. Consultation and Participation

11.1 Stakeholder Identification

A companion Stakeholder Engagement Plan has been prepared as a separate document and should be consulted for more detail as to the process to be followed for all engagement and including resettlement linked engagement process.

Key stakeholder groups include:

- Government: MoME, Ministry of Finance (expropriation), Ministry of Agriculture, Ministry of Environmental Protection, Republic Geodetic Authority, relevant municipalities
- Project-affected communities and PAPs
- Civil society and NGOs active in the project area (including those working with Roma communities and other minority groups)
- Academic and research institutions
- Media

11.2 RPF-Level Consultation

Engagement to date has focused on an initial round of stakeholder identification and a first site visit, which flagged proximity of the alignment to households, a cemetery, and other sensitive receptors at several locations.

Meeting have been held with Municipalities in Ćićevac, Ražanj, Aleksinac and the City of Niš. Meetings were attended by the Municipal Presidents as well as staff representing the core departments relevant to the scoping exercise.

Engagement to date has been limited to initial scoping-stage outreach; broader consultation with affected households, local municipalities, and vulnerable groups is planned as part of the RAP process.

11.3 RAP-Level Consultation

PAPs will be consulted during: (i) census and asset inventory; (ii) development of entitlement options; and (iii) RAP disclosure. Specific consultations with vulnerable groups will use culturally appropriate methods. All consultation records will be maintained and included in each RAP.

11.4 Consultation with Vulnerable and Minority Groups

Special attention will be given to Roma communities and other ethnic minorities in the project area. The consultation process will be adapted to language, literacy levels, and community structures. The project will screen for Indigenous Peoples as defined under ESS7 (unlikely in the Serbian context, but to be confirmed).

11.5 Information Disclosure

- This RPF will be disclosed on the World Bank website and MoME website prior to appraisal.
- An RPF summary will be translated into Serbian and disclosed locally.
- Each RAP will be disclosed to affected communities in Serbian before implementation.
- Disclosure will include the entitlement matrix, GRM contact information, and RAP implementation schedule.

12. Grievance Redress Mechanism

This chapter establishes the project-level Grievance Redress Mechanism (GRM) for the Serbia Strategic Gas Infrastructure and Institutional Strengthening Project. It applies to all project activities that may result in land acquisition, restrictions on land use, economic displacement, physical displacement, construction disturbance, livelihood impacts, community health and safety risks, and stakeholder concerns. The GRM is designed to meet the requirements of World Bank ESS5 and ESS10 while remaining aligned with Serbian administrative and judicial remedies. It is a project remedy mechanism and does not replace the right of any affected person to use courts, administrative appeals, municipal procedures, or the World Bank Grievance Redress Service.

12.1 Purpose and Objectives

The GRM provides a formal, transparent, culturally appropriate and accessible process through which Project-Affected Persons (PAPs), affected communities, vulnerable persons, Roma and other minority households, local authorities, workers, contractors, civil society organisations and other stakeholders may raise project-related questions, concerns or complaints and receive a timely response.

The objectives of the GRM are to:

- Provide an early, accessible and trusted mechanism for receiving and resolving project-related concerns.
- Identify land acquisition, compensation, construction, livelihood and social risks early enough for corrective action.
- Ensure that concerns are addressed in a fair, transparent and documented manner.
- Provide special access arrangements for vulnerable persons and groups who may otherwise face barriers to remedies.
- Support compliance with this RPF, subproject RAPs, ESS5, ESS10 and the project Stakeholder Engagement Plan.
- Reduce the likelihood of disputes escalating into litigation, while preserving all legal rights and remedies.
- Generate management information that allows the PIU, MoME and the World Bank to identify trends, systemic risks and corrective actions.

The core principles that apply to the GRM are as follows:

The GRM will operate throughout project preparation, detailed design, RAP preparation, census and asset inventory, compensation negotiation, land access, construction, land restoration, livelihood restoration, post-construction monitoring and RAP close-out.

The GRM will be open to any person, household, business, community organisation or institution that believes it is affected by, or has a legitimate concern about, the Project.

- The GRM will be available free of charge through multiple channels, including in-person, written, telephone, email, website, municipal offices, contractor offices and community liaison officers. Illiterate persons and persons without internet access will be able to submit complaints verbally.
- All grievances will be reviewed objectively and without conflict of interest. Technical matters may be referred to independent valuers, agronomists, engineers, soil specialists, mediators or social specialists.
- Each stage of the GRM will have defined acknowledgement, investigation, response and escalation timelines. Urgent safety or SEA/SH matters will be prioritised immediately.
- Procedures, eligibility, contact details, escalation options and resolution timelines will be publicly disclosed and explained during consultations and RAP disclosure meetings.
- Personal details will be protected. Complainants may request confidentiality. SEA/SH complaints will be handled through a separate survivor-centred referral pathway.
- No person may be intimidated, penalised, excluded from entitlements, threatened or otherwise disadvantaged for using the GRM. Retaliation by project staff or contractors will be treated as a serious non-compliance.
- Use of the GRM is voluntary and does not prevent access to Serbian courts, administrative remedies, municipal procedures, the World Bank GRS or the Inspection Panel.
- Special measures will be used for women, elderly persons, persons with disabilities, poor households, Roma households, informal users, tenants and other groups who may face barriers to participation.

12.2 Scope of the GRM

The GRM covers all project-related grievances, questions and requests for corrective action. It is not limited to formal legal disputes and may be used for concerns that arise before, during or after land acquisition and construction. These may include:

- Disputes over affected parcel boundaries, cadastral records or ownership.
- Concerns regarding replacement cost, easement compensation, valuation methodology, crop valuation, orchard or vineyard compensation, or payment delays.
- Eligibility disputes involving owners, tenants, informal users, business operators, agricultural workers or vulnerable households.
- Concerns about cut-off date communication, census inclusion, asset inventory errors or missing assets.
- Complaints about livelihood restoration measures, transition support, relocation assistance or enhanced vulnerability assitance.

- Legacy complaints associated with previous gas infrastructure land acquisition where such concerns are linked to the current project footprint or affected communities.
- Temporary loss of access to fields, homes, roads, grazing areas, irrigation systems, wells or community facilities.
- Damage to crops, trees, fences, outbuildings, irrigation systems, drainage systems, local roads or private access tracks.
- Dust, noise, vibration, traffic, worker behaviour, construction safety, camp management or labour influx concerns.
- Environmental impacts such as pollution, waste, water contamination, soil compaction, erosion, vegetation clearance or inadequate reinstatement.
- Community health and safety risks, including unsafe excavations, traffic hazards, open trenches, inadequate signage or emergency access issues.

The project GRM will not adjudicate criminal allegations, replace court decisions, or determine matters that Serbian law reserves exclusively for judicial or administrative bodies. However, such matters may still be recorded and referred to competent authorities, and the PIU may implement project-level corrective actions where appropriate.

12.3 Institutional Arrangements and Responsibilities

MoME will hold overall responsibility for ensuring that the GRM is established, adequately resourced, disclosed and implemented. Day-to-day management will be undertaken by the PIU through its Social Safeguards Officer, Community Liaison Officers and GRM focal point. Contractors will be required to support grievance resolution for construction-related issues but may not independently close grievances without PIU verification.

The PIU will establish a Project Grievance Committee before commencement of RAP implementation and civil works. The Committee will meet monthly during project preparation, at least bi-weekly during active construction, and immediately for urgent cases. It will review escalated grievances, approve corrective actions and monitor systemic trends. Roles and responsibilities are set out in the table below.

Table 4: GRM Institutional Roles and Responsibilities

Role	Indicative Responsibility
PIU Social Safeguards Manager	Chair the GRM process, review escalated cases, ensure ESS5 and ESS10 compliance, approve closure of resettlement grievances. Check and classify grievances by grievance level.
PIU Land Acquisition Specialist	Review cadastral, valuation, easement, compensation and land access complaints.
PIU Environmental Specialist	Review environmental, restoration, soil, water, waste and reinstatement complaints.
Community Liaison Officer	Receive grievances, support complainants, conduct field verification and maintain community communication.
Municipal Representative	Support local coordination, municipal records, public notices and administrative interfaces.
Contractor Representative	Provide information and implement corrective actions for construction-related complaints. The contractor participates as an observer and implementing party, not as the sole decision-maker.
Independent Specialist	Provide independent valuation, agronomic, engineering, mediation, social, Roma outreach or SEA/SH referral support where required.

Prior to full GRM operationalisation for each subproject RAP — including during the RPF disclosure period — the public may submit queries and grievances relating to the RPF or planned project activities through: (i) the PIU general email address and telephone line published on the MoME project webpage; (ii) written submissions to MoME; and (iii) local mesne zajednice, which will forward submissions to the PIU. All such submissions will be logged and, on GRM activation, migrated into the project GRM register with acknowledgement to the submitter.

The PIU will ensure that the GRM is operational before RAP census activities begin. Minimum resources will include a named GRM focal point, a dedicated telephone number, email address, complaint forms, grievance register and other logistical support resources as required. Each active construction front will have a designated Community Liaison Officer.

12.4 GRM Workflow and Organisation

The GRM follows a tiered structure (by grievance level) that promotes early local resolution while allowing escalation to PIU management, independent mediation and external remedies. The diagram below summarises the process.

1. Intake	→	**2. Registration**	→	**3. Acknowledgement**
Written, verbal, hotline, email, website, municipal office, CLO, anonymous submission		Unique case number, category/level, location, officer assigned		Within 5 working days; urgent safety cases immediately
4. Screening	→	**5. Investigation**	→	**6. Proposed Resolution**
Classify as resettlement, construction, environmental, SEA/SH, labour or other		Field visit, document review, technical assessment, interviews		Written response with corrective action, timing and responsible party

7. Complainant Response	→	**8. Closure or Escalation**	→	**9. Monitoring**
Accept, request revision, or escalate		Closure after implementation and verification; escalation to Level 2/3/external remedies if unresolved		Trend analysis, corrective actions, reporting to MoME and World Bank

Figure 12-1: Project GRM workflow from intake to closure, escalation and monitoring.

The Table below describes the management and response process linked to level of grievance with targets for resolution.

Table 5: Management process by grievance level

Level	Responsible party	Indicative scope	Acknowledgement	Resolution target
Level 1 - Community / Site Resolution	Community Liaison Officer, PIU Social Officer and relevant contractor staff	Minor construction impacts, access issues, simple damage claims, immediate reinstatement concerns	Within 5 working days	Within 15 working days
Level 2 - PIU Grievance Committee	PIU Social Safeguards Manager, Land Acquisition Specialist, Environmental Specialist and municipal representative	Compensation disputes, eligibility issues, repeated construction concerns, unresolved Level 1 cases	Within 5 working days of escalation	Within 30 working days
Level 3 - Independent Review / Mediation	Independent mediator, valuer, agronomist, engineer, social specialist or other expert appointed by MoME/PIU	Complex or contested cases where Level 2 outcome is rejected or independent review is required	Within 5 working days of referral	Within 45 working days
Level 4 - External Remedies	Serbian courts, administrative appeals, competent authorities, World Bank GRS or Inspection Panel	Available to complainants at any time; not dependent on exhausting project GRM	According to applicable procedure	According to applicable procedure

For all resettlement grievances, field verification will normally occur within 10 working days. No affected parcel may be handed over to the contractor where a grievance indicates that compensation has not been paid, the affected person was not included in the RAP register, or the parcel was not cleared under the RAP land access protocol, unless the World Bank has agreed to a specific escrow or exceptional procedure consistent with ESS5.

Multiple intake channels will be maintained so that complainants can select the safest and most convenient method. The PIU will not require complainants to use a particular format, legal language or internet-based channel.

Table 6: Intake Channels for Grievances[10]

Channel	Minimum requirement
Community Liaison Officer	Verbal or written grievances may be submitted during field visits, community meetings, household visits or site office hours. The CLO will record verbal grievances in writing and read them back to the complainant for confirmation.
Municipal offices	Complaint forms and GRM information will be available at affected municipal offices and local community offices.
Project/site offices	Forms and locked complaint boxes will be available at PIU and contractor site offices. Boxes will be opened by the PIU, not the contractor alone.
Telephone hotline	A dedicated number will be publicised. Calls will be logged by trained staff.
Email	A dedicated project email address will be maintained and monitored at least daily during active construction.
Website form	Where available, an online form will allow complainants to submit information electronically.
Anonymous submission	Anonymous grievances will be accepted, registered and investigated to the extent feasible.
Referral from public authorities	Complaints received by municipalities, inspectorates or other authorities may be referred to the PIU for project-level response while preserving official procedures.

12.5 Registration, Screening and Classification

Every grievance, including anonymous complaints and verbal submissions, will be entered into a central GRM Register within two working days of receipt. The register will be maintained by the PIU GRM focal point and reviewed monthly by the PIU Social Safeguards Manager.

Each case file will include:

- Unique grievance reference number.
- Date received and intake channel.
- Name and contact details of complainant, unless anonymous or confidential.
- Location, municipality, cadastral parcel number where relevant, and affected project segment.
- Complaint category and urgency level.
- Summary of issue and requested remedy.
- Assigned officer and responsible department.
- Investigation actions and supporting documentation.
- Proposed resolution, corrective action, responsible party and deadline.
- Complainant response, closure evidence and follow-up monitoring.

[10] The Protector of Citizens (Zaštitnik građana / Ombudsman) — an independent state authority in Serbia, responsible for investigating and addressing complaints made by citizens against other government institutions, established and introduced into the legal system by the 2006 Constitution is currently available.

12.6 Investigation and Resolution Procedures

The PIU will investigate grievances proportionately to their complexity and potential severity. Straightforward cases may be resolved through field verification and immediate corrective action. Complex cases may require document review, cadastral checks, independent valuation, agronomic assessment, soil testing, engineering inspection, interviews or mediation.

The following minimum steps apply to non-SEA/SH grievances:

- Confirm receipt and explain the process and timeline to the complainant.
- Screen for urgency, vulnerability, safety implications and whether the grievance relates to resettlement, construction, environment, labour or SEA/SH.
- Assign a responsible officer and, where necessary, an independent expert.
- Conduct field verification where the issue concerns land, assets, access, construction impacts, crops, soil, irrigation, structures or reinstatement.
- Review relevant documents, including RAP records, asset inventory forms, valuation records, payment records, cadastral extracts, contractor logs, site instructions and photographs.
- Prepare a proposed resolution, including corrective actions, compensation adjustments, reinstatement actions, explanations or referral to competent authorities.
- Communicate the decision in writing or verbally where literacy is a barrier, in a language and format understandable to the complainant.
- Record acceptance, rejection or request for escalation.
- Verify implementation of corrective action before closing the grievance.
- Where the subject matter falls wholly or partly within the mandate of another competent authority (police, labour inspectorate, environmental inspectorate, cadastre, courts, ombudsman, or SEA/SH service providers), refer the case or the relevant elements to that authority in parallel with any project-level corrective action, with the complainant's informed consent and, for SEA/SH cases, following the survivor-centred referral protocol.

12.7 Access for Vulnerable Persons

The PIU will ensure that vulnerable persons can use the GRM without discrimination or practical barriers. Vulnerability identified through the RAP census, stakeholder engagement process or GRM intake will trigger additional support.

Support measures will include:

- Home visits for elderly persons, persons with disabilities or households unable to travel.
- Assistance completing forms and understanding written correspondence.
- Verbal intake and oral explanation of decisions where literacy is limited.

- Translation or interpretation where needed.
- Priority review of grievances involving vulnerable households.
- Dedicated case officer assignment for vulnerable complainants.
- Referral to municipal social welfare centres, legal aid providers or Roma coordinators where appropriate.
- Monitoring of whether the resolution has actually addressed the household's needs.

Any unresolved grievance involving a vulnerable household that remains open for more than 15 working days will be flagged to the PIU Director for management review.

Roma households and other minority communities may face specific barriers including insecure tenure, lack of documentation, mistrust of institutions, language barriers, discrimination, low literacy or fear that raising a complaint may affect access to assistance. The project will therefore adopt culturally appropriate GRM access arrangements.

- GRM information will be explained verbally during consultations and household visits, not only through written notices.
- Where minority languages are in official use, disclosure materials will be made available in the relevant language.
- The PIU will coordinate, where appropriate, with municipal Roma coordinators, Roma mediators, social welfare centres and trusted civil society organisations.
- Informal users will be explicitly informed that they may submit grievances regardless of legal title or formal ownership status.
- Separate small-group meetings may be held where community members are reluctant to raise concerns in public meetings.
- GRM monitoring will disaggregate complaints where voluntarily self-identified, while protecting confidentiality and avoiding discriminatory use of personal data.

12.8 Gender-Sensitive and SEA/SH-Safe GRM Design

Women may face barriers to accessing grievance mechanisms where compensation discussions are dominated by registered male landowners or where social norms make public complaint difficult. The PIU will ensure that women are informed directly about the GRM, can submit grievances confidentially, and can meet with female project staff where requested and available.

The GRM will also include a confidential survivor-centred referral pathway for Sexual Exploitation and Abuse (SEA), Sexual Harassment (SH) and Gender-Based Violence (GBV). This pathway will be separate from the general grievance investigation process and will prioritise safety, confidentiality, informed consent and referral to qualified service providers.

SEA/SH grievances require a specialised response. Project personnel must not investigate allegations, seek proof, interview survivors repeatedly, disclose identities, attempt mediation between survivor and alleged perpetrator, or pressure survivors to report to authorities. The role of the GRM is limited to safe intake, immediate support, referral with consent, recording only non-identifying information, and triggering contractual or management action where appropriate. The steps are summarised in the table below.

Table 7: SEA/SH Protocol by step

Step	Protocol requirement
1. Safe intake	If a person discloses SEA/SH, the receiving staff member must listen respectfully, avoid judgment, avoid probing for details, and ask whether the person wants referral to support services.
2. Immediate safety	If there is immediate danger, the survivor's safety takes priority. Emergency services or trusted support should be contacted only with survivor consent, except where mandatory child protection obligations apply.
3. Informed consent	No referral, reporting or sharing of identifiable information may occur without informed consent, unless required by law for child protection or imminent serious harm.
4. Referral	The survivor should be referred within 24 hours to pre-identified local service providers, which may include health, psychosocial, legal aid, police, social welfare or specialised women's support services.
5. Confidential recording	The GRM register will record only: case code, date, type of allegation at a high level, whether referral was offered, whether referral was accepted, and case status. No names, addresses, detailed narrative or identifying information will be entered in the general register.
6. Contractor response	Where the alleged perpetrator is a project worker, the PIU will notify the contractor only of the need for action under the Code of Conduct and contract, without disclosing survivor identity unless the survivor consents or legally required.
7. Follow-up	Follow-up will confirm whether the survivor was able to access support services, without pressuring the survivor to pursue any formal process.
8. Reporting	World Bank reporting will use anonymised, aggregate information only and will follow incident reporting requirements.

Before construction begins in each municipality, the PIU will prepare and periodically update a confidential SEA/SH service provider directory. The directory will identify available health, psychosocial, legal aid, police, social welfare, women's support, child protection and emergency services. The directory will not be publicly disclosed in a way that creates security risks, but trained GRM personnel will use it for referrals. Where service gaps exist, the PIU will consult with MoME, municipalities and the World Bank on feasible referral arrangements.

12.9 Confidentiality, Data Protection and Record Management

GRM records will be managed in accordance with applicable Serbian data protection requirements and good international practice. Access to personal grievance information will be limited to authorised PIU staff and specialists who need the information for resolution. Public reporting will use aggregated data only.

- Personal data will be stored securely in password-protected electronic files and locked physical files.
- SEA/SH records will be kept separately from the general GRM database and will contain only non-identifying information.
- Anonymous grievances will be investigated without attempts to identify the complainant unless required for safety or legally mandated reasons.

- Complainants may request that their identity not be shared with contractors, municipal representatives or other parties.
- GRM records will be retained for the project period and for the period required by Serbian law and World Bank project record requirements.

12.10 Interface with Contractors

Civil works contracts will require contractors and subcontractors to cooperate fully with the GRM. Contractors will be responsible for preventing grievances through good construction management and for implementing corrective actions assigned by the PIU or Construction Supervision Consultant.

Contractor obligations will include:

- Display GRM contact information at all site offices, camps and active work fronts.
- Maintain a site complaints log and transmit all entries to the PIU within two working days.
- Immediately report serious incidents, safety complaints and SEA/SH disclosures according to project procedures.
- Implement corrective actions within the timeframe specified by the PIU or Construction Supervision Consultant.
- Provide access to site records, photographs, method statements and staff for grievance investigations.
- Ensure all workers sign and receive training on the Code of Conduct, including non-retaliation, respectful community behaviour and SEA/SH prohibitions.
- Treat failure to cooperate with grievance resolution as a contractual non-compliance.

12.11 Escalation, Appeals and External Remedies

If a complainant is not satisfied with the proposed resolution, the grievance may be escalated from Level 1 to Level 2 and then to Level 3 independent review or mediation. The complainant may also access Serbian courts, administrative appeals, inspectorates or other competent authorities at any time. Use of the project GRM is not a precondition for legal action. Where a grievance falls within the mandate of a competent Serbian authority, the PIU may facilitate case referrals — including preparing a summary of the matter, providing documentary evidence collected through the GRM investigation, and supporting the complainant in accessing that authority. Facilitation is offered as a service to complainants and does not substitute for the PIU's own project-level corrective actions.

Information on the World Bank Grievance Redress Service and Inspection Panel will be included in disclosed GRM materials. Complainants may submit concerns to the World Bank where they believe the Project has caused or is likely to cause harm and project-level processes have not adequately addressed the issue. The PIU will not obstruct, discourage or retaliate against any person for using World Bank accountability mechanisms.

12.12 Closure Criteria

A grievance may be closed only when one of the following conditions is met:

- The agreed corrective action has been implemented and verified, and the complainant confirms satisfaction.
- The complainant does not accept the proposed resolution but has been informed of escalation and external remedy options, and project-level remedies have been exhausted.
- For grievances requiring judicial or administrative determination outside the project's mandate (e.g. contested titles, compensation appeals, boundary disputes), closure may occur once the matter has been formally referred to the competent authority and any project-level corrective action has been implemented, with the case flagged as "referred — awaiting external determination" in the GRM register and retained under active oversight in monitoring reports until externally resolved.
- Where compensation is contested and cannot be resolved within the project timeline, closure may occur once the disputed amount has been deposited in escrow (notary or court deposit account) pending final determination, and the complainant has been notified in writing.
- The grievance is found to be unrelated to the Project and has been referred to the appropriate authority or mechanism where possible.
- The complaint is anonymous and the PIU has taken reasonable steps to investigate and address the issue, but no further follow-up is possible.
- For SEA/SH cases, closure relates only to completion of referral and project management actions; it must not imply investigation of the allegation or judgement on survivor credibility.

Closure evidence may include photographs, signed verification forms, payment records, contractor completion reports, site inspection notes, complainant confirmation or independent expert verification.

12.13 Monitoring, Reporting Key Performance Indicators and Corrective Actions

The PIU Social Safeguards Manager will prepare monthly GRM summaries during RAP implementation and construction, and quarterly summaries for submission to MoME and the World Bank. Reports will include grievance trends, status, average resolution time, overdue cases, vulnerable household cases, unresolved cases, corrective actions and contractor performance. Public disclosure will use aggregated information and will not include personal data.

The PIU will analyse grievance trends at least annually and at the end of each RAP implementation cycle. Lessons learned will be incorporated into route planning, consultation, compensation procedures, contractor management, land restoration and future phases of the Serbia Gas Sector Development MPA

The GRM will be used as an adaptive management tool. The following triggers will require management review and, where appropriate, a corrective action plan within 10 working days:

- More than 10 compensation-related grievances in one municipality within one month.
- More than 5 grievances challenging the same valuation method or compensation category.
- Any evidence that site access occurred before payment of required compensation or assistance.
- Any vulnerable household grievance unresolved for more than 15 working days.
- More than 20 construction-related community complaints in one month on a single construction front.
- Repeated complaints about the same contractor, worker behaviour, traffic route or reinstatement issue.
- Any SEA/SH disclosure involving project workers or project sites.
- Any allegation of intimidation, retaliation or pressure on complainants.
- Any unresolved land restoration grievance that may affect the next agricultural season.

Corrective action plans will identify the root cause, responsible party, required action, deadline, budget implications and verification method. The external monitor will review corrective actions as part of resettlement monitoring and completion audit activities.

12.14 Disclosure and Communication of the GRM

GRM procedures will be disclosed before RAP census and before construction begins in each affected municipality. Disclosure will be repeated at key stages, including RAP disclosure, compensation meetings, contractor mobilisation and land restoration inspections.

Disclosure methods will include:

- Municipal notice boards and local community offices.
- Public consultation meetings and household visits.
- RAP summary leaflets and entitlement brochures.
- Construction site notice boards and contractor offices.
- Project website and MoME/PIU communication channels.
- Information provided through municipal Roma coordinators, local mediators and civil society organisations where appropriate.

- Oral explanation for persons with limited literacy or limited access to written materials.

All GRM materials will include at minimum: eligible users, complaint categories, intake channels, telephone number, email address, location of complaint boxes, expected timelines, escalation options, confidentiality rights, non-retaliation statement and external remedy options.

12.15 Training and Capacity Building

All PIU social staff, Community Liaison Officers, relevant MoME staff, Construction Supervision Consultant personnel and contractor community-facing staff will receive GRM training before field deployment. Refresher training will be provided at least annually and whenever monitoring identifies weaknesses.

- ESS5 and ESS10 grievance requirements.
- Complaint intake, registration, categorisation and escalation.
- Communication with vulnerable persons and low-literacy complainants.
- Roma and minority-sensitive engagement.
- Gender-sensitive grievance handling.
- SEA/SH safe response, survivor-centred principles and referral protocol.
- Non-retaliation and confidentiality.
- Land acquisition and compensation grievance procedures.
- Corrective action tracking and closure verification.

13. Implementation Arrangements and Key Roles and Responsibilities

13.1 Ministry of Mining and Energy (MoME)

MoME holds overall accountability for RPF and RAP implementation. MoME will sign off on RAPs, authorise commencement of civil works on affected parcels, and oversee PIU performance on E&S compliance.

Within MoME, formal accountability for resettlement compliance will be allocated to a designated State Secretary or Assistant Minister with portfolio responsibility for the Project. This individual will chair quarterly project-level E&S compliance reviews, act as the senior approving authority for each subproject RAP, and serve as the principal counterpart for the World Bank Task Team on resettlement matters. A dedicated MoME E&S Focal Point at director or senior advisor level will be designated to interface routinely with the PIU on resettlement issues, attend PIU monthly E&S meetings, and prepare materials for the State Secretary's review. The MoME organisational decision designating these roles will be issued within 60 days of project effectiveness and shared with the World Bank.

Each subproject RAP must be formally approved by MoME and cleared by the World Bank before any civil works contract is awarded for the corresponding works package. MoME's sign-off attests that the RAP has been prepared in accordance with this RPF, that the entitlement matrix has been applied consistently, that consultation requirements (Section 11) have been met, and that the RAP implementation budget is secured. Following MoME approval and World Bank no-objection, the RAP will be publicly disclosed on the MoME website and on the World Bank external website, with Serbian-language hard copies available at affected municipal offices, no later than 30 days before site-specific RAP implementation activities (other than census and consultation) commence.

MoME will authorise contractor access to each affected parcel only upon receipt and verification of a Site Access Clearance Certificate (SACC) issued by the PIU Social Safeguards Officer for that parcel. The SACC certifies that: (i) all compensation due under the RAP entitlement matrix has been paid in full and is receipted; (ii) all temporary use and easement agreements are signed; (iii) any necessary livelihood restoration arrangements are initiated; and (iv) the PAP has been given the agreed notice period before site clearance. SACCs will be issued on a parcel-by-parcel basis. No civil works will commence on any parcel for which a SACC has not been issued. The SACC procedure operationalises the "prior compensation" gap-filling commitment in Section 4.3 and 4.4.

MoME is responsible for ensuring that periodic E&S reporting to the World Bank, including resettlement progress reports (semi-annual) and any material non-compliance reports, are submitted in accordance with the project legal agreement. MoME will also ensure that completion audit reports (Section 14.5.4) are disclosed publicly upon finalisation. Where the external resettlement monitor or the social auditor identifies a non-compliance issue requiring corrective action, MoME is responsible for ensuring that the corrective action plan is implemented within agreed timeframes and that the World Bank is informed of progress.

13.2 Project Implementation Unit (PIU)

The PIU will be staffed with:

- At minimum one dedicated Social Safeguards Officer with RAP preparation and implementation experience.
- One Community Liaison Officer per active construction front.

PIU responsibilities include RAP preparation oversight, liaison with RGA on cadastral records, coordination with expropriation authorities, PAP communication, and GRM management.

The PIU's resettlement functions span the full project cycle from screening through completion audit. The principal functions are summarised below; each is detailed in the corresponding RPF section.

During RAP preparation, the PIU manages the procurement and supervision of survey and valuation consultants, oversees execution of the RAP census (Section 9.2) and asset inventory (Section 9.3), validates the vulnerability assessment (Section 9.4), commissions and approves the Replacement Cost Study (Section 7.1), prepares the draft RAP and submits it for MoME and World Bank clearance, and leads consultation and disclosure activities (Section 11). The PIU coordinates with the Republic Geodetic Authority (RGA) on cadastral verification for each affected parcel, and engages with the relevant municipal administrations on local-level expropriation proceedings.

During RAP implementation, the PIU calculates and disburses RPF top-up payments above the OG 53/1995 compensation amount (Section 7), manages temporary use rental payments and easement compensation arrangements, processes Site Access Clearance Certificates, supports vulnerable PAPs through the Community Liaison Officers and dedicated case management, operates the GRM, and produces monthly internal monitoring reports to MoME and the World Bank.

During post-construction monitoring, the PIU oversees land restoration verification (Section 14.5.1), tracks livelihood recovery for vulnerable and significantly affected PAPs, commissions and supervises the external resettlement monitor (Section 14.5.3), and prepares the completion audit (Section 14.5.4).

The PIU is located within MoME in Belgrade. The Senior Social Safeguards Specialist reports administratively to the PIU Director and functionally to the MoME E&S Focal Point.

Community Liaison Officers report functionally to the Senior Social Safeguards Specialist and are based in field offices in or near the affected municipalities.

13.2.1 PIU Social Team Composition

The minimum staffing complement set out above is the base; staffing will scale with implementation intensity. The full PIU social team for Phase I, II and III implementation will comprise the following positions, recruited or seconded before the start of RAP census activities.

Senior Social Safeguards Specialist (1). Reports to the PIU Director. Leads RAP preparation oversight, manages all consultants engaged for RAP preparation and the Replacement Cost Study (Section 7), signs off on Site Access Clearance Certificates, manages the PAP database, and serves as primary counterpart to the World Bank Task Team social specialist. Minimum qualifications: degree in social sciences, law, or related field; at least eight years of land acquisition and resettlement experience on linear infrastructure projects, including at least one completed RAP under World Bank ESS5 or equivalent.

Social Safeguards Officer (1–2). Supports the Senior Specialist on day-to-day RAP implementation, manages the vulnerability register (Section 9.4), oversees the payment verification process, and prepares monthly internal monitoring reports. Minimum qualifications: degree in relevant field; at least four years of resettlement implementation experience.

GRM Focal Point (1). Dedicated to operating the project-level GRM described in Section 12: receives grievances through all intake channels, manages the grievance log, tracks resolution against the 15- and 30-day target timeframes for Level 1 and Level 2 cases, and prepares the quarterly GRM analytics report. Minimum qualifications: relevant social sciences or legal background; at least three years of stakeholder grievance or complaints management experience.

Community Liaison Officers (1 per active construction front). Based locally in or near the affected municipalities, with regular field presence on the construction front. Responsibilities include maintaining face-to-face contact with PAPs; conducting home visits to vulnerable households (Section 9.4); intaking grievances at the local entry point; verifying contractor compliance with notification, access, and conduct requirements in the field; and providing on-the-ground reporting to the central PIU. Minimum qualifications: local language fluency including any minority languages required for Roma community engagement; demonstrated rural community engagement experience; ability to work flexibly outside office hours and in seasonal field conditions. Female CLOs will be recruited to ensure gender-balanced engagement, particularly for female-headed households.

13.2.2 PIU Contracted Agencies

The PIU will engage on a contract basis: independent valuation firm(s) for the Replacement Cost Study; agronomist(s) for orchard and vineyard valuations; survey firm(s) for the RAP census and asset inventory; and a legal aid provider or NGO to support PAPs with tenure irregularities and to provide independent compensation review for low-literacy PAPs (Section 9.4.4). In addition, the PIU will retain, on a call-off basis, a Serbian-qualified lawyer with experience in expropriation, restitution, inheritance, cadastral and property-title matters to advise on restitution claims, unresolved title, contested inheritance and other tenure irregularities identified during the RAP census, and to review compensation-agreement documentation before signature. Public notaries may be involved only where notarisation, certification or other notarial formalities are required under Serbian law.13.3 Construction Supervision Consultant (CSC)

The CSC team will include an E&S Specialist who will monitor RAP implementation in the field during construction and report any deviations from the RAP to the PIU immediately.

The CSC E&S Specialist is a full-time position embedded in the CSC's field supervision team, with primary responsibility for verifying contractor compliance with the ESMP and RAP commitments on the construction front. Where the CSC E&S Specialist identifies a material non-compliance with RAP commitments — including, but not limited to, civil works commencing on a parcel without a valid Site Access Clearance Certificate, unauthorised disturbance outside the approved working strip, or destruction of crops or assets not covered by signed compensation agreements. The CSC E&S Specialist and the PIU Community Liaison Officers will hold a weekly joint coordination meeting in the field, with attendance by the contractor's site agent.

13.4 External Social Auditor

For subprojects with significant resettlement impacts, an independent social audit of RAP implementation will be conducted at midterm and project completion.

The external social audit is conducted by a firm or individual that has had no prior involvement in RAP preparation, implementation, monitoring, or any other element of project implementation. The auditor is procured by the PIU under terms of reference cleared by the World Bank, on a competitive basis, and reports directly to MoME with copy to the World Bank. The auditor's independence is protected through: a single fixed-fee contract not contingent on findings; explicit prohibition on follow-on consulting roles within the project for a period of at least two years after the audit; and direct access to all project records, PAPs, and project staff without filtering by the PIU.

The audit reviews compliance with all elements of this RPF and the applicable RAP, with specific attention to: completeness of the PAP census against field verification (testing for under-registration of informal users and vulnerable households); accuracy of asset inventories against current site conditions; consistency of compensation amounts paid with the entitlement matrix, including verification of RPF top-up payments above the OG

53/1995 amount; timeliness of payments relative to site access; effectiveness of the GRM; livelihood restoration outcomes for vulnerable and significantly affected households; land restoration outcomes following construction; and quality and accessibility of consultation processes.

The midterm audit is conducted when approximately 50% of compensation payments under a subproject RAP have been disbursed, allowing corrective action to be taken on the remaining cases. The completion audit is conducted six months after the final compensation payment under the RAP and not less than 12 months after substantial completion of civil works on the corresponding works package, so that livelihood restoration outcomes and land restoration can both be assessed.

13.5 Land Acquisition Process under Serbian Law

The expropriation process under Serbian law involves: (i) declaration of public interest by MoME or the relevant line ministry; (ii) cadastral assessment and notification of landowners by RGA; (iii) a negotiation period of 60 days; (iv) administrative expropriation if agreement is not reached; and (v) payment of compensation.

Critical note: ESS5 requires that compensation be paid before civil works commence on affected land. The PIU will ensure sequencing of compensation payments and civil works accordingly. Before any statutory compensation offer is issued by the expropriation beneficiary under this section, the Project Valuation and Compensation Review Protocol set out in Section 7.2 shall be applied.

13.6 Coordination Requirements

Coordination across the multiple institutional actors involved in pipeline implementation is a critical risk-management function. Each coordination relationship is supported by an explicit mechanism — a standing forum, an MoU, or a designated focal point — rather than left to ad hoc arrangements, given the multi-year project timeline and the number of parallel decisions required.

Government designated expropriation beneficiary / asset owner. Coordination on route alignment to apply the avoidance and minimisation hierarchy (Section 5.2); on the schedule of expropriation proposal submissions to align with RAP preparation timelines; on negotiation positions with PAPs to ensure that the Government designated expropriation beneficiary / asset owner offer plus the PIU top-up together meet RPF entitlement standards; and on field operations during construction. A Project Land Acquisition Coordination Committee (PLACC) chaired by the PIU, with monthly meetings during RAP preparation and bi-weekly meetings during active expropriation proceedings, should be In place.

Affected municipalities. Coordination on the expropriation decision process (the municipal administration is the issuing authority); on local construction permits and traffic management approvals; on community engagement; and with municipal social welfare centres for case management of vulnerable PAPs. An MoU between MoME and each affected municipality setting out roles, information-sharing protocols, and a designated municipal focal point. Quarterly municipal coordination meetings will be held throughout RAP implementation; the PIU CLO is the day-to-day operational counterpart, should be in place.

Ministry of Finance. The Ministry of Finance is relevant to expropriation procedures through the appeal framework and through the Tax Administration, whose assessments are used as an input for statutory compensation offers. The first-instance expropriation procedure is conducted by the competent local self-government authority. Coordination is required on alignment between Tax Administration valuations and the project Replacement Cost Study, and on any case-by-case escrow arrangements. A standing focal point in the Ministry of Finance designated for the project should be appointed.

Republic Geodetic Authority (RGA). Coordination on cadastral extracts for all affected parcels at RAP preparation; on resolution of cadastral discrepancies including unregistered inheritance and undivided co-ownership; on registration of easements and ownership transfers following completion of proceedings; and on identification of any registered encumbrances. A service agreement under which the RGA provides timely cadastral extracts and assessments for project parcels, with a designated RGA focal point, should be in place.

Ministry of Agriculture, Forestry and Water Management. Coordination is required because much of the affected land is agricultural and a portion is forest. The Ministry's approval is required for change of land use designation under the Law on Agricultural Land (OG 62/2006) for any agricultural land moved out of cultivation, and for forest conversion under the Law on Forests (OG 30/2010) through its Forest Directorate. The Ministry of Agriculture also administers rural subsidy and rural development programmes that may be relevant to livelihood restoration design. A project-specific consultation arrangement for land-use change approvals and a referral protocol for livelihood restoration support should be developed.

Civil society and legal aid providers. The project will engage one or more Serbian NGOs or legal aid providers to provide independent compensation review for low-literacy PAPs (Section 9.4.4), to support PAPs with tenure irregularities through legal assistance, and to act as observers in selected consultation activities. A service contract or grant agreement with selected organisations, with terms of reference cleared by the World Bank should be in place.

World Bank. Routine coordination through monthly project progress calls, semi-annual implementation support missions, no-objection sign-off for each RAP, and any compliance issues raised by the external monitor or social auditor.

13.7 Capacity Building

Capacity building is treated as a structured programme rather than a series of ad hoc training events. It addresses the gap between current Serbian normative practice for expropriation and the additional skills required to implement an ESS5-compliant resettlement programme — including replacement cost valuation, vulnerability identification, GRM management, gender-sensitive engagement, and operating the Site Access Clearance Certificate procedure. The programme is sequenced to deliver foundational training before each implementation phase begins.

13.7.1 PIU Social Team Training

A foundational training programme of at least ten working days will be delivered to the full PIU social team before the start of RAP census activities for each subproject. Content covers: this RPF and the integrated OG 53/1995 procedure (Section 13.5); the entitlement matrix (Section 8); replacement cost methodology and the Replacement Cost Study process (Section 7); RAP census methodology including identification of non-titled users (Section 9); vulnerability assessment and the five-category framework (Section 9.4); GRM operating procedures (Section 12); RAP data management, the PAP database structure, and reporting; and gender-sensitive engagement. Delivery is by a qualified resettlement specialist with World Bank ESF experience, complemented by Serbian legal counsel for the OG 53/1995 components.

Refresher training of at least three working days will be delivered annually thereafter for the duration of project implementation, with content adjusted to address issues identified through internal and external monitoring. New PIU staff joining mid-cycle receive abbreviated induction training before commencing operational duties; they are paired with an experienced team member for the first three months of their tenure.

13.7.2 MoME Senior Management Briefing

A one-day strategic briefing will be delivered to the MoME senior management group (Minister, State Secretaries, Director-Generals, and the E&S Focal Point) within the first 90 days of project effectiveness. Content focuses on: the principal ESS5 commitments under the project legal agreement; the key areas in which the ESS5 overlay complements OG 53/1995 procedures (Section 4.3); the Site Access Clearance Certificate procedure; and the implementation and financial management implications, including the linkage between ESS5 compliance and World Bank disbursement conditions. The briefing is repeated annually and on change of senior personnel.

13.7.3 Government Designated Expropriation Beneficiary / Asset Owner Land Acquisition Team Training

A three-day training programme will be delivered to Government designated expropriation beneficiary / asset owner staff who are operationally involved in expropriation proceedings for the project: legal and land acquisition team members, regional representatives, and field surveyors. Content addresses how the ESS5 overlay interacts with their standard OG 53/1995 procedures, the parallel role of the PIU on top-up payments and non-titled users, the importance of integrated PAP communication, the SACC procedure, and the project GRM. The training emphasises that Government designated expropriation beneficiary / asset owner continues to follow its standard legal procedure but with awareness of the additional project-funded entitlements being delivered alongside.

13.7.4 Field Social Officers, Enumerators, and Valuers

CLOs and field enumerators engaged for the census receive five days of intensive training before deployment. Content covers: PAP categories and eligibility; identification of non-titled users and informal occupants; vulnerability screening using the five-category framework; gender-sensitive interview techniques; engagement with Roma and other minority households; recording standards for the PAP database; GRM intake procedures; and ethical conduct in field interactions. Independent valuers engaged for the RCS receive a one-day project-specific briefing on replacement cost methodology requirements, RPF entitlement standards, and the format of valuation deliverables.

13.7.5 CSC and Contractor Orientation

The CSC E&S Specialist receives a two-day project-specific orientation covering the RAP commitments relevant to construction-phase monitoring, the SACC procedure, the stop-work authority, and the GRM. The civil works contractor receives a one-day RAP awareness briefing for site management and supervisory staff before mobilisation, covering working strip boundaries, PAP notification protocols, conduct expectations for the workforce in interactions with affected communities, and reporting obligations through the CSC. A one-page summary of RAP commitments is included as a tool-box talk topic for all incoming workforce.

13.7.6 Municipal and Civil Society Counterparts

A half-day briefing is delivered to each affected municipality’s designated focal point and Centre for Social Work counterpart, covering the project, RAP entitlements, vulnerability screening criteria, the SACC procedure, and referral arrangements for vulnerable PAPs. Engaged NGO and legal aid partners receive a project orientation briefing before commencing their contracted activities, and are invited to PIU social team refresher training.

14. Monitoring and Evaluation

14.1 Monitoring Objectives and Framework

The monitoring and evaluation (M&E) framework for this RPF and all subproject RAPs is designed to verify that resettlement activities comply with the commitments made in this RPF and in each RAP, that affected persons are compensated at replacement cost before project activities commence on their land, and that livelihoods and living standards are restored — or improved — to pre-project levels. Given the predominantly agricultural character of Component 1 land acquisition, the framework places particular emphasis on tracking the restoration of agricultural productivity and farm income, which are affected not only by compensation adequacy but also by soil condition, irrigation system integrity, and the multi-year recovery trajectories of perennial crops.

The framework is structured around three monitoring tiers that operate concurrently throughout RAP implementation and for up to three years post-construction:

- Process monitoring — verifying that RAP implementation procedures are followed correctly: notification before displacement, compensation paid before site access, GRM functioning, and vulnerable households receiving additional support.
- Outcome monitoring — measuring whether compensation and livelihood restoration measures are producing the intended results for PAPs: agricultural yields restored, incomes recovered, irrigation systems functional, orchard replanting established.
- Impact monitoring — assessing longer-term household welfare effects at project closure and confirming that no PAH is worse off as a result of the project.

All three tiers draw on the pre-project socioeconomic and agricultural baseline established in each RAP as the reference point against which restoration is measured. The baseline must be established before any land access or civil works commence, using the methods set out in Section 14.2.

14.2 Baseline Data and Reference Framework

The pre-project baseline is the foundation against which all outcome and impact monitoring is measured. Without a credible, independently verified baseline, it is not possible to demonstrate that PAP livelihoods have been restored. For each subproject RAP, the following baseline data must be collected prior to the census cut-off date and before any land acquisition or land access occurs:

- Household income baseline: total annual household income from all sources (agriculture, off-farm employment, transfers, other) for each PAP household, disaggregated by source. For significantly affected agricultural PAHs, income must be recorded at the individual parcel level to enable parcel-specific restoration tracking.

- Agricultural productivity baseline: per-hectare yield of each crop type on each affected parcel for the most recent two growing seasons, based on PAP records, agricultural extension records, and/or direct measurement where feasible. For orchards and vineyards, annual production volume and market value per hectare.
- Soil quality baseline: for all parcels subject to temporary land use during construction, a pre-works soil profile assessment (bulk density, organic matter content, topsoil depth, drainage capacity) conducted by an independent soil scientist. Sampling points to be geo-referenced for post-works repeat measurement at the same locations.
- Irrigation infrastructure baseline: inventory and condition assessment of all wells, boreholes, irrigation channels, pipes, and pumps within the construction working strip or that could be affected by pipeline installation, compaction, or drainage disruption.
- Household welfare baseline: food security score, housing quality assessment, access to services, and asset ownership index for all significantly affected PAHs and all vulnerable PAHs, administered as part of the RAP household survey.

Baseline data will be collected by the PIU with support from the social assessment consultant engaged for RAP preparation. All baseline data will be entered into the PAP database described in Section 14.3 and retained as a permanent record. The external monitor will verify a 10% random sample of baseline data entries during the first external monitoring visit.

14.3 Internal Monitoring System

14.3.1 Monthly Process Monitoring

The PIU Social Officer is responsible for monthly internal monitoring throughout the RAP implementation and construction period. Monthly monitoring activities include: field visits to active construction segments; review of compensation payment records against the construction schedule; interviews with a random sample of 10–15% of PAPs on each active segment; review of the GRM register; and welfare check-in visits to all vulnerable PAHs on the vulnerability register. Monthly monitoring reports are submitted to the PIU Director within 10 days of the end of each month and copied to the World Bank task team.

14.3.2 PAP Database

The PIU will maintain a georeferenced PAP database linking each affected parcel to: the PAP household record; the asset inventory; the compensation calculation and payment record; the GRM case file (if any); the vulnerability flag and case officer assignment; and the land restoration status record (for temporarily acquired parcels). The database will use the parcel cadastral reference number as the primary identifier and will be updated in real time as payments are processed and restoration inspections completed. The PAP database is the primary data source for all process indicator reporting.

14.3.3 Agricultural and Land Restoration Monitoring

In addition to standard monthly monitoring, the PIU Environmental Officer and PIU Agricultural Officer will conduct specialised monitoring of land restoration on temporarily acquired agricultural parcels. At each construction segment, the PIU will maintain a restoration log recording: date of land handover for construction; date of topsoil stripping and stockpiling; date of civil works completion; date of topsoil replacement and surface restoration; date of PIU field inspection; inspection outcome (pass or fail against restoration checklist); and date of independent soil quality assessment. Parcels that fail the restoration checklist inspection will be referred for additional remediation works at contractor cost within 30 days.

14.3.4 Reporting

Monthly internal monitoring reports will cover all process indicators listed in Section 14.6 and will include: a compensation payment status table (parcels compensated vs. total; amount disbursed vs. budget); a GRM summary (complaints received, resolved, and pending by category); a vulnerability register summary; a land restoration status table; and a flag list of any indicators deviating from target with proposed corrective actions. Semi-annual consolidated internal monitoring reports will be disclosed to affected communities through the project GRM notice board and website.

14.4 Independent External Monitoring

14.4.1 Appointment and Scope

An independent external monitor (qualified social scientist or firm with demonstrated experience in World Bank resettlement monitoring and agricultural livelihoods assessment) will be appointed for all subprojects with more than 50 PAPs or where significantly affected agricultural PAHs constitute more than 20 households. The external monitor must have no prior involvement in RAP preparation for the subproject and must operate independently of the PIU and the civil works contractor. The monitor's terms of reference, qualifications, and reports are subject to World Bank no-objection. The external monitor is procured by the PIU on terms of reference cleared by the World Bank, but reports directly to MoME with copies to the World Bank Task Team; reports are not filtered through the PIU. Findings requiring corrective action are addressed under a formal management response plan tracked in the semi-annual monitoring reports. For subprojects with significant impacts, the World Bank may require the external monitoring function to be structured as an Independent Panel on Environmental and Social matters.

14.4.2 Methodology

External monitoring methodology will include: (a) independent review and verification of PIU monitoring data and the PAP database; (b) structured interviews with a statistically significant random sample of PAPs (minimum 25% of all PAPs, stratified by PAP category, gender, vulnerability status, and impact type); (c) focus group discussions with female PAP groups, Roma/ethnic minority communities, and significantly affected agricultural households; (d) field inspection of a 10% random sample of restored agricultural parcels, including visual assessment and soil sampling at pre-established baseline measurement points; (e) yield measurement on a 10% random sample of restored parcels during the harvest period (for annual crops); and (f) review of GRM case files and independent follow-up with a sample of complainants.

14.4.3 Reporting Schedule

The external monitor will submit reports at the following milestones:

- Baseline verification report — within 60 days of RAP approval, confirming the adequacy of the pre-project baseline data.
- RAP implementation progress report — at the midpoint of the RAP implementation period (before civil works commence on the second half of the subproject).
- Land access clearance verification — at the point of civil works commencement, confirming that compensation has been paid in full for all parcels on which works will commence.
- Annual livelihood monitoring reports — at 12, 24, and 36 months post-compensation payment, covering all outcome and impact indicators in Section 14.6, with particular focus on agricultural productivity restoration and income recovery for significantly affected agricultural PAHs.
- Completion audit report — see Section 14.8.

14.5 Agricultural Livelihood and Land Quality Monitoring

The agricultural livelihood and land quality monitoring described in this section is delivered by the independent external monitor appointed under Section 14.4, working in conjunction with the PIU internal monitoring team and specialist agronomic and soil-science subcontractors procured by the PIU under terms of reference cleared by the World Bank.

The predominantly agricultural character of land acquisition impacts in Component 1 — particularly the combination of permanent ROW easements across arable and orchard land, temporary construction working strips, and the multi-year income loss associated with orchard re-establishment — requires a dedicated agricultural monitoring programme that goes beyond standard resettlement output tracking.

14.5.1 Soil Quality and Land Restoration

Construction of buried pipeline involves excavation, soil removal, and backfilling across the full width of the working strip. Even with topsoil stripping and reinstatement, risks of subsoil compaction, disrupted drainage, loss of organic matter, and contamination from construction materials or drilling fluids require systematic post-construction assessment. The following protocol applies to all temporarily acquired agricultural parcels:

- Pre-works baseline: soil sampling at minimum one point per 500 m of pipeline alignment, geo-referenced, with measurement of bulk density (core method), organic matter content (loss on ignition), topsoil depth, and drainage infiltration rate.
- Topsoil management: topsoil to be stripped, stockpiled, and reinstated separately from subsoil per the civil works ESMP. Stockpile inspection by PIU Environmental Officer at time of stripping and reinstatement.
- Post-restoration assessment at 6 months: repeat soil sampling at baseline points; visual drainage assessment; crop emergence assessment (where applicable based on season); comparison to baseline profiles. Remediation required within 30 days for any parcel failing assessment.
- Post-restoration assessment at 24 months: repeat sampling to confirm medium-term recovery; yield comparison on all assessed parcels. Parcels not meeting yield benchmark at 24 months receive additional livelihood support (see H1, Entitlement Matrix).

14.5.2 Perennial Crop and Orchard Monitoring

Orchards, vineyards, and other perennial crops permanently lost within the ROW require structured long-term monitoring of replanting and re-establishment because compensation adequacy can only be confirmed when replacement planting reaches productive maturity. The PIU will maintain an orchard and vineyard tracking register recording: PAH name and parcel ID; crop type and pre-project productive area and average yield; compensation amount paid (including income loss for re-establishment period); replanting milestones (planting date; species; area planted); and annual production assessment by the independent agronomist. Annual field visits will be conducted for the first five years post-compensation for all orchard and vineyard PAHs. Where replanting has not been achieved within two years or production has not been restored within the agreed species-specific timeframe, the PIU will assess whether additional support is required and will report to the World Bank with a corrective action plan.

14.5.3 Control Group Comparison

To isolate project-specific impacts from broader agricultural trends (weather, commodity price fluctuations, national agricultural policy changes), the external monitor will identify a comparison group of non-affected agricultural households in the same municipality with similar landholding sizes, crop types, and socioeconomic profiles. Comparison group data will be collected alongside PAP survey data at the 12-, 24-, and 36-month monitoring rounds. The comparison is used analytically to contextualise PAP income and yield data; it does not affect individual PAP entitlements.

14.6 Key Monitoring Indicators

The table below sets out the full monitoring indicator framework. Indicators are grouped into five categories: process (RAP implementation quality); output (compensation and restoration delivered); outcome — agricultural and income (productivity and livelihood restoration); outcome — vulnerable and social (equity and inclusion); and impact (long-term welfare effects). All outcome and impact indicators are measured against the pre-project baseline established in Section 14.2.

14.7 Monitoring Schedule and Reporting Calendar

The table below summarises the monitoring schedule across the project lifecycle. "RAP implementation" refers to the period from RAP approval to confirmation that all compensation has been paid and all agreed pre-displacement assistance has been provided. "Construction" covers the civil works period. "Post-construction" covers the period from civil works completion to project closure.

14.8 Resettlement Completion Audit

A resettlement completion audit will be carried out by the independent external monitor appointed under Section 14.4 within 6–12 months of final land access and civil works completion, and in any case before project closure. The audit constitutes a final assessment of whether all RAP objectives have been fully achieved and whether the project's commitment to restore and where possible improve PAP livelihoods has been met. It cannot be substituted by internal PIU monitoring.

The completion audit will cover:

- Verification that 100% of RAP-listed PAPs have received full compensation (all asset types), with payment records cross-checked against the PAP database.
- Verification that all temporarily acquired agricultural land has been restored to pre-construction soil quality and productivity, based on the 24-month soil and yield assessments.
- Assessment of livelihood restoration outcomes for all significantly affected agricultural PAHs, based on the 24-month livelihood survey data and comparison to the pre-project baseline.
- Assessment of orchard and vineyard re-establishment progress and forward-looking projection of whether compensation amounts paid for long-term income loss are tracking to adequacy.
- Assessment of welfare outcomes for all vulnerable PAHs, including consumption/expenditure data compared to the pre-project baseline.
- Review of the GRM register for unresolved complaints; independent follow-up with complainants whose cases were not resolved to their satisfaction.
- Stakeholder verification: structured interviews with a representative sample of PAPs (95% confidence lever and 10% margin of error), including separate sessions with female PAHs, Roma communities, and the most severely affected agricultural households.

The completion audit report will be submitted to the PIU and World Bank within 30 days of fieldwork completion. If the audit finds that any RAP objective has not been fully achieved, the project may not close until a corrective action plan has been agreed, implemented, and verified. The completion audit report will be publicly disclosed on the project website and at the PIU office in Belgrade.

14.9 Adaptive Management and Corrective Actions

The M&E framework is not solely a compliance reporting mechanism — it is the primary tool for adaptive management. Where monitoring data indicate that RAP objectives are not being achieved (compensation payments delayed, agricultural yields not recovering, soil restoration inadequate, vulnerable household welfare declining), the PIU is required to develop and implement corrective actions without waiting for the next external monitoring cycle.

Automatic corrective action triggers include:

- Any construction segment where site access is confirmed prior to full compensation payment for all affected parcels in that segment: immediate stop-work notice on that segment pending payment completion.
- Any agricultural parcel failing the 6-month soil restoration assessment: contractor required to undertake remediation works within 30 days at their own cost.
- Any significantly affected agricultural PAH whose 12-month income survey shows income below 75% of pre-project baseline: PIU Social Officer to conduct a household assessment visit within 30 days and prepare an individual livelihood recovery plan.
- Any orchard or vineyard PAH with no evidence of replacement planting within 24 months of compensation payment: PIU Agricultural Officer to conduct a verification visit and assess whether additional assistance (in-kind planting materials, agricultural extension support) is required.
- Any vulnerable PAH with consumption expenditure below the national poverty line at the 12-month welfare assessment: immediate referral to government social assistance programmes and enhanced PIU case officer support.

All corrective actions will be documented in the PIU monthly monitoring report, assigned to a responsible officer with a completion deadline, and tracked until closed. The external monitor will verify the adequacy of corrective actions at the next monitoring visit. The World Bank will be notified of any systemic corrective action trigger (affecting more than 10% of PAPs or any vulnerable household) within 10 days of identification.

Table 8: Monitoring Indicators and Method

Category	Indicator	Target / Benchmark	Measurement Method and Data Source	Frequency and Responsible Party
I. Process Indicators — RAP Implementation Quality				
Process	Percentage of PAPs formally notified in writing of their entitlements and the compensation schedule before civil works commence on their parcels	100% prior to site access	PIU payment and notification register; copies of notification letters on file for each PAP	Monthly during RAP implementation; PIU Social Officer
Process	Percentage of affected parcels (permanent acquisition and temporary use) with full compensation paid prior to civil works commencement on that parcel	100% prior to site access	PIU parcel-by-parcel payment register linked to construction schedule; site access clearance certificates	Monthly; PIU Social Officer and Site Engineer
Process	Average number of days from PAP formal claim submission to compensation payment	≤ 45 days	PIU payment register — date of claim vs. date of payment	Monthly; PIU Social Officer
Process	Percentage of vulnerable PAHs with a dedicated case officer assigned and first household contact completed within 30 days of census finalisation	100% within 30 days	Vulnerability register; case officer assignment log	Monthly; PIU Social Officer
Process	Number of GRM complaints received (total, and disaggregated by complaint category: compensation adequacy; land restoration; access disruption; other)	Tracking metric — no set target; trend monitored	GRM register; monthly complaint log submitted to PIU management	Monthly; PIU GRM Officer
Process	Percentage of GRM complaints resolved within the defined timeframe (15 days at Level 1; 30 days at Level 2)	≥ 90% resolved within timeframe	GRM register; resolution date vs. receipt date	Monthly; PIU GRM Officer
Process	Percentage of PAPs satisfied with the consultation and information process (measured by exit survey at compensation payment)	≥ 80% satisfied or very satisfied	PAP exit interview / satisfaction survey administered at compensation payment event	At each payment event; PIU Social Officer
II. Output Indicators — Compensation and Restoration Delivered				
Output	Total area (ha) of agricultural land permanently acquired, by land category (arable, orchard, vineyard, pasture, forest)	100% of RAP-identified area compensated	PIU cadastral survey and compensation register; cross-checked against RAP parcel list	Quarterly; PIU Land Officer
Output	Total area (ha) of agricultural land under permanent pipeline ROW easement, by land type	100% of ROW land with signed easement agreement or expropriation order	PIU easement register; notarised agreements; court orders	Quarterly; PIU Land Officer

Output	Total area (ha) of agricultural land under temporary use agreements, by land type	100% of construction working strip with signed temporary use agreement prior to clearance	PIU temporary use register	Monthly during construction; PIU Social Officer
Output	Number and percentage of PAPs compensated, disaggregated by PAP category (A/B/C), gender of household head, and vulnerability status	100% of RAP-listed PAPs compensated	PIU payment register	Monthly; PIU Social Officer
Output	Number and percentage of orchard, vineyard, and perennial crop PAPs who have received compensation calculated on a species-specific re-establishment income basis	100% of orchard/vineyard PAPs	PIU payment register; independent agronomist assessment reports	By payment date; PIU Social Officer
Output	Total area (ha) of temporarily acquired agricultural land for which restoration works have been completed (including topsoil replacement, subsoil decompaction, drainage re-establishment)	100% within 6 months of civil works completion on each segment	PIU land restoration inspection reports; post-restoration soil quality assessments	Six months post-works completion per segment; PIU Environmental Officer and independent soil assessor
Output	Number of significantly affected PAHs (≥10% of productive assets) enrolled in a livelihood restoration programme	100% of qualifying PAHs enrolled within 3 months of compensation payment	Livelihood programme enrolment register; case files	Quarterly; PIU Livelihood Officer
Output	Number of vulnerable PAHs (female-headed, elderly, disabled, Roma, below poverty line) receiving enhanced assistance package	100% of PAHs on vulnerability register	Vulnerability register; assistance delivery log	Monthly; PIU Social Officer
III. Outcome Indicators — Agricultural Productivity and Income Restoration				
Outcome — Agricultural	Average per-hectare yield of principal affected crop (by crop type: wheat, maize, sunflower, vegetables) on previously temporarily acquired land, compared to pre-project baseline yield	≥ 90% of pre-project baseline yield by end of second growing season post-restoration; 100% by end of third season	Field crop yield measurements on a 10% random sample of restored parcels (stratified by crop type); comparison to pre-project yield baseline established in RAP survey	Annually for 3 years post-restoration; independent external monitor and PIU Agricultural Officer
Outcome — Agricultural	Soil quality indicators on temporarily acquired agricultural land post-restoration: bulk density (compaction); organic matter content; drainage performance; topsoil depth	Bulk density ≤ pre-project level; organic matter content ≥ 90% of pre-project; topsoil depth ≥ pre-project; drainage restored to functional equivalence	Soil sampling and laboratory analysis on 10% random sample of restored parcels; comparison to baseline soil profiles established at RAP census. Assessments by independent soil scientist.	At 6 months and 24 months post-restoration; independent soil scientist commissioned by PIU

Outcome — Agricultural	Percentage of orchard and vineyard PAPs whose replacement planting has been established and has reached the species-specific productive maturity stage	100% of orchard/vineyard PAPs with replacement planting established by year 2; 100% reaching productive maturity by species-specific target year	Annual field inspection by independent agronomist; comparison to replanting milestones in PAP compensation agreement	Annually from year 1 to year 7 post-compensation (species-specific tracking); independent agronomist
Outcome — Agricultural	Average annual agricultural income of significantly affected agricultural PAHs compared to pre-project baseline (disaggregated by Cat A legal owner, Cat B tenant, Cat C informal user, and by gender of household head)	≥ 100% of pre-project baseline income by 24 months post-compensation; ≥ 110% by 36 months for significantly affected PAHs	Household income survey of all significantly affected agricultural PAHs (n = all qualifying households); comparison to baseline income data from RAP survey. Survey administered by external monitor.	At 12, 24, and 36 months after compensation payment; independent external monitor
Outcome — Agricultural	Percentage of agricultural tenant (Cat B) and informal user (Cat C) PAHs whose annual farm income has been restored to pre-project baseline levels	≥ 90% of Cat B and Cat C agricultural PAHs with income restored at 24-month mark	Household income survey disaggregated by PAP category; comparison to RAP baseline income data	At 12 and 24 months post-compensation; independent external monitor
Outcome — Agricultural	Percentage of affected irrigation infrastructure (channels, pipes, wells, pumps) fully restored to pre-construction functional capacity	100% restored within 6 months of civil works completion per segment	PIU infrastructure inspection reports; PAP verification interviews; independent field inspection	At 6 months post-works per segment; PIU Environmental Officer
Outcome — Livelihoods	Average household income (all sources, not only agricultural) of significantly affected PAHs compared to pre-project baseline	≥ 100% of pre-project baseline total household income at 24 months post-compensation	Household income survey (all sources: agriculture, off-farm employment, transfers) of all significantly affected PAHs; comparison to RAP baseline survey data	At 12, 24, and 36 months post-compensation; external monitor
Outcome — Livelihoods	Percentage of non-agricultural business-affected PAHs whose monthly net income has returned to pre-disruption baseline level	≥ 90% at 12 months; 100% at 24 months post-compensation	Business income follow-up survey; comparison to baseline data from RAP survey and tax records	At 6, 12, and 24 months post-compensation; PIU Social Officer (6m) and external monitor (12m, 24m)
IV. Outcome Indicators — Vulnerable Households and Social Inclusion				
Outcome — Vulnerable	Percentage of vulnerable PAHs whose household welfare (measured by consumption expenditure or income as applicable) is at or above the pre-project baseline at 12 and 24 months post-compensation	100% at or above pre-project baseline by 24 months	Dedicated household welfare survey of all vulnerable PAHs on the vulnerability register; consumption/expenditure data compared to RAP baseline	At 12 and 24 months post-compensation; external monitor (disaggregated by vulnerability sub-group)
Outcome — Vulnerable	Percentage of Roma and ethnic minority PAHs with livelihood outcomes (agricultural income,	No significant disparity between	Household income survey disaggregated by ethnicity (self-identified); comparison between	At 24 months post-compensation; external monitor

	total household income) equivalent to or better than the non-minority significantly affected PAH population	Roma/minority and non-minority PAH outcomes	groups; statistical significance test	
Outcome — Gender	Percentage of female-headed households that received compensation payments made directly in the name of the female household head (or jointly)	100% of female-headed households	PIU payment register; verification of payment recipient names against census data	Monthly during payment; PIU Social Officer
Outcome — Gender	Participation rate of women in PAP consultation meetings (as percentage of adult women in affected households who attended at least one consultation)	≥ 40% female participation in consultation events	Attendance registers from consultation events; disaggregated by gender	Per consultation event; PIU Social Officer
V. Impact Indicators — Long-Term Welfare and Land Productivity				
Impact	Agricultural land productivity index: average yield per hectare on all restored and permanently compensated land relative to pre-project baseline, controlling for weather variation using a comparison area	≥ 100% of pre-project baseline by year 3 post-construction	Yield index calculated from crop yield survey on affected parcels, normalised against comparable unaffected parcels in the same agro-ecological zone	Annually for 3 years; joint external monitor and PIU Agricultural Officer
Impact	Percentage of affected households reporting no net deterioration in their overall living standard (food security, housing quality, access to services) compared to pre-project baseline	≥ 90% at project completion audit	Household welfare assessment (food security score, housing quality checklist, service access assessment) administered to all significantly affected and all vulnerable PAHs at completion audit	At RAP completion audit (6–12 months post-final land access); external monitor
Impact	Number of unresolved compensation or land restoration disputes at project closure	0 unresolved disputes at project closure	GRM register; court records; completion audit verification interviews	At completion audit; external monitor

Activity	**RAP Implementation**	**Construction Period**	**Post-Construction (Yrs 1–3)**	**Responsible Party**
PAP baseline data collection and census	Before cut-off date	—	—	PIU / RAP consultant
Monthly internal monitoring visits	Monthly	Monthly	—	PIU Social Officer
PAP database updates (payments, restoration status)	Continuous	Continuous	Continuous to project closure	PIU Social Officer
Baseline soil quality sampling (pre-works)	Before works on each segment	—	—	PIU Environmental Officer / independent soil scientist
PAP exit satisfaction survey (at compensation payment)	At each payment event	—	—	PIU Social Officer
GRM register review and complaint tracking	Monthly	Monthly	Monthly (until closure)	PIU GRM Officer

Vulnerability register welfare check-ins	Monthly	Monthly	Quarterly (Yr 1); bi-annual (Yr 2–3)	PIU Social Officer
External monitor: baseline data verification report	Within 60 days of RAP approval	—	—	Independent External Monitor
External monitor: RAP implementation progress report	At RAP implementation midpoint	—	—	Independent External Monitor
External monitor: land access clearance verification	—	At commencement	—	Independent External Monitor
Post-restoration land inspection (PIU)	—	6 months post-works completion per segment	—	PIU Environmental Officer
Post-restoration soil quality assessment (independent)	—	6 months post-works per segment	24 months post-works per segment	Independent soil scientist
External monitor: 12-month agricultural livelihood survey	—	—	Month 12 post-compensation	Independent External Monitor
External monitor: 24-month livelihood survey (primary)	—	—	Month 24 post-compensation	Independent External Monitor
Orchard / vineyard replanting annual inspection	—	—	Annually, Yrs 1–7 (species-specific)	PIU Agricultural Officer / independent agronomist
External monitor: 36-month livelihood survey	—	—	Month 36 post-compensation	Independent External Monitor
RAP completion audit	—	—	6–12 months after final land access; before project closure	Independent External Monitor
Completion audit report — World Bank disclosure	—	—	At project closure	PIU / World Bank

15. Budget and Financing

15.1 Budget Framework

The total resettlement budget will be determined for each RAP based on:

- Compensation payments (land, structures, crops, trees, other assets). The budget estimate for each RAP will be built up from the Entitlement Matrix (Section 8) applied to the parcel-level asset inventory and census data collected for that subproject, so that the aggregate compensation figure reflects actual measured impacts.
- Contingency (typically 10–15% of estimated compensation costs)
- Livelihood restoration programmes.
- Transition and moving allowances.
- Administrative costs of land acquisition under Serbian law.
- PIU social team staff costs and RAP preparation/consultancy costs
- External monitoring costs
- GRM operating costs. The Project budget will include sufficient resources for GRM implementation. Eligible costs include staffing, hotline operation, complaint boxes, printed materials, translation, community meetings, field verification visits, independent experts, mediation, SEA/SH service provider mapping, training, database management, monitoring and disclosure. Contractors will bear the cost of corrective actions arising from their non-compliance or construction damage, including reinstatement, repairs, additional mitigation and community safety measures.

15.2 Financing Responsibilities

Financing responsibility are as follows:

- Government of Serbia (GoS): Responsible for all compensation payments under the Law on Expropriation. Expropriation costs are a GoS counterpart obligation and are not financed from the World Bank loan.
- Project (WB loan): May finance RAP preparation, PIU social team, external monitoring, livelihood restoration programmes, capacity building, and GRM operation.

Financing arrangements will be clarified in the legal agreements and the Project Appraisal Document (PAD).

15.3 Contingency Provisions

For projects of this nature a contingency is highly recommended and formulated as follows:

- Unforeseen resettlement impacts: 15% contingency on compensation estimates.

- Exchange rate risk: Budgets to be maintained in both USD and Serbian Dinar (RSD); compensation will be paid in RSD.
- Inflationary adjustment: RAP budgets to include provision for CPI adjustment where implementation extends beyond 12 months from the baseline valuation date.
- Valuation and entitlement disputes: an allowance within the contingency line for cases where court-determined compensation, appeals, or negotiated settlements exceed the RAP's original compensation estimate, so that resolution of individual disputes does not delay payment to other PAPs on the same subproject.
- Scope changes: an allowance for additional parcels, structures, or PAPs identified after RAP approval as a result of design refinement, updated cadastral data, or supplementary census findings, so that late-identified impacts are compensated without requiring a full RAP revision cycle before payment can proceed.

Contingency funds will be held at project level rather than allocated in advance to individual RAPs, so that they can be drawn down where needed across the Component 1 portfolio.

16. Annexes

Annex 1	Applicable Serbian Legislation Relevant to Land Acquisition and Resettlement
Annex 2	Sample RAP Outline (full RAP)
Annex 3	Sample Socioeconomic Survey Questionnaire
Annex 4	Terms of Reference — RAP Preparation Consultant

Annex 1: World Bank ESS5 Framework and Serbian Legal Framework

This annex reproduces, without amendment, the full text of Sections 4.1 and 4.2.

World Bank Environmental and Social Framework — ESS5 (Full Text)

ESS5 (Land Acquisition, Restrictions on Land Use and Involuntary Resettlement) establishes the World Bank's requirements for managing involuntary resettlement. Key ESS5 requirements applicable to this project are discussed in more detail in Section 5 but include:

- Avoid or minimise involuntary resettlement through consideration of design alternatives
- Treat resettlement as a development opportunity
- Consult affected persons meaningfully throughout the process
- Compensate all affected assets at full replacement cost (not depreciated market value)
- Provide resettlement assistance beyond compensation (livelihood restoration, transition support)
- Establish an accessible and responsive Grievance Redress Mechanism (GRM)
- Prepare, implement, and monitor Resettlement Action Plans (RAPs)

While ESS5 is the principal standard governing land acquisition and resettlement, the following additional Environmental and Social Standards are also applicable to the Project and should be read alongside this RPF: ESS1 (Assessment and Management of Environmental and Social Risks and Impacts), which establishes the overall framework for environmental and social assessment; ESS2 (Labour and Working Conditions), which governs labour management procedures, contractor obligations, and worker grievance mechanisms; ESS3 (Resource Efficiency and Pollution Prevention and Management); ESS4 (Community Health and Safety), which addresses construction-phase community risks; ESS6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources); ESS8 (Cultural Heritage), which governs chance-find procedures and heritage protection; and ESS10 (Stakeholder Engagement and Information Disclosure), which establishes requirements for meaningful consultation, information disclosure, and the project-level grievance redress mechanism. ESS7 (Indigenous Peoples) and ESS9 (Financial Intermediaries) are not anticipated to apply unless project design or financing arrangements indicate otherwise.

The World Bank Group Environmental, Health and Safety (EHS) Guidelines are also applicable as technical reference documents for good international industry practice. The General EHS Guidelines and the sector-specific guidelines for gas transmission infrastructure should inform assessment and management of occupational health and safety, community health and safety, pollution prevention, emergency preparedness, and construction impacts. They complement, but do not replace, Serbian legislation and technical standards.

The World Bank Environmental and Social Standards are not, in themselves, Serbian domestic legislation or ratified international treaties, and Serbia is not generally required to apply them as domestic law outside a World Bank-financed operation. Once the financing agreement is concluded and, where required, confirmed or ratified in accordance with Serbian law, the environmental and social commitments undertaken by the Republic of Serbia — including the Environmental and Social Commitment Plan, this RPF, the SEP, the ESIA/ESMP and each RAP/LRP — become binding project obligations. Serbian legislation therefore remains the primary domestic framework for land acquisition, expropriation, planning, permitting, labour and administrative procedure, while ESS5 and the other Standards supply the additional project-level measures required where domestic law does not fully meet World Bank requirements. The precise legal effect of these obligations should be verified against the final signed and, where applicable, ratified financing agreement.

Republic of Serbia Legal Framework (Full Text)

Constitutional Provisions

The Constitution of the Republic of Serbia (2006) provides the foundational legal basis for property rights and expropriation. Article 58 guarantees the right of ownership and other property rights, and establishes that the right of ownership may be limited by law or deprived only in the public interest as established by law, and with compensation that cannot be lower than market value. Article 84 guarantees equal protection of all forms of property. The constitutional standard sets a minimum floor of market-value compensation but does not specify procedural requirements for community consultation, disclosure, or assistance to non-titled or vulnerable persons — areas where ESS5 imposes more demanding obligations. The Constitution permits the legislature to define the scope of public interest and delegate the public interest declaration to the Government, which forms the basis for infrastructure expropriation under the Law on Expropriation.

Several further constitutional provisions are directly relevant to the Project and must be read alongside Articles 58 and 84. Article 20 provides that constitutionally guaranteed rights may be restricted only where permitted by the Constitution, for a constitutionally recognised purpose, to the extent necessary in a democratic society, and without affecting the substance of the right. This proportionality requirement applies not only to full expropriation but also to easements, safety zones, temporary occupation, and other restrictions on land use. Article 21 guarantees equality before the law and equal legal protection without discrimination, which is relevant to the treatment of all affected persons including vulnerable groups, co-owners, tenants, and informal users. Articles 22 and 36 guarantee judicial protection of constitutionally protected rights and the right of appeal against decisions affecting a person's rights and interests; Article 32 further ensures a fair hearing before an independent tribunal within a reasonable time. These remedial guarantees are directly relevant to the expropriation and compensation procedures under the Project and complement the project-level GRM established pursuant to ESS10.

Article 51 guarantees the right of every person to receive truthful, complete, and timely information on matters of public importance and the right of access to information held by public authorities. This constitutional guarantee underpins the Project's information disclosure obligations regarding the pipeline route, spatial planning, land acquisition procedures, compensation entitlements, and the grievance mechanism. Article 67 guarantees the right to legal assistance, which is relevant to affected persons seeking support in expropriation or compensation proceedings; the project GRM shall complement, not replace, access to legal assistance and judicial remedies. Articles 68 and 69 guarantee the right to health protection and social protection, which are relevant to assessing impacts on vulnerable persons and designing appropriate assistance measures. Article 74 guarantees the right to a healthy environment and timely information about its condition, which is directly relevant to environmental and social assessment and disclosure of project impacts on land, water, livelihoods, and ecosystem services.

Given that Phase III of the Project is expected to extend through the Autonomous Province of Vojvodina, Articles 76 and 79 are also of particular relevance: they require that members of national minorities be able to exercise their rights without discrimination and, in accordance with the law, use their language and script in dealings with public authorities. These guarantees should inform disclosure, consultations, land acquisition procedures, and grievance arrangements in ethnically diverse areas. Under Article 199, lack of knowledge of the language in which proceedings are conducted must not impede the exercise and protection of human and minority rights. The applicable languages for each project area should be determined based on the final alignment and the languages in official use in affected local self-government units. Under Articles 16 and 194 of the Constitution, ratified international treaties form an integral part of the Serbian legal order and constitutional rights must be interpreted consistently with applicable international human rights standards; accordingly, Article 58 must be read in light of Article 1 of Protocol No. 1 to the European Convention on Human Rights and the case law of the European Court of Human Rights.

Determination of public interest. The constitutional requirement that public interest be established "on the basis of law" does not require that public interest for each individual project be declared directly by an Act of Parliament. The Constitution permits the legislature to prescribe the permissible purposes, conditions and procedure for expropriation while authorising the Government to determine public interest for a specific project within that statutory framework. Accordingly, Article 2 of the Law on Expropriation provides that public interest may be established either directly by law or by a Government decision adopted pursuant to that Law. A Government decision is therefore not an autonomous legal basis for interference with property, but a project-specific determination made under statutory authority, whose legality depends on compliance with the statutory conditions — including an appropriate planning basis where required, a recognised public-purpose objective, and the availability of compensation and effective remedies.

Direct application of constitutional rights (Article 18). Constitutionally guaranteed human and minority rights are directly applicable and must be interpreted in accordance with applicable international human rights standards and the practice of the international bodies supervising their implementation. While the World Bank Environmental and Social Standards do not acquire direct legal effect through Article 18, ESS5 provides a project-level framework for operationalising and strengthening these constitutional and Convention-based safeguards.

Constitutional review and access to remedies. The Constitutional Court exercises constitutional review and may assess the conformity of laws and other general acts — including any project-specific lex specialis governing land acquisition, expropriation, easements or entry into possession — with the Constitution, generally accepted rules of international law and ratified treaties. Under Article 170, a constitutional complaint may be lodged against an individual act or action of a public authority that violates a guaranteed right where other remedies have been exhausted or are unavailable. Following exhaustion of effective domestic remedies, affected persons may apply to the European Court of Human Rights alleging a violation of Article 1 of Protocol No. 1 or other Convention rights. Effective implementation of this RPF and the subsequent RAP/LRP measures should also reduce the risk of such applications against Serbia.

Law on Expropriation

The Law on Expropriation (Official Gazette RS No. 53/1995, as amended through 106/2016) is the primary legislation governing compulsory acquisition of real property for public purposes in Serbia. The applicable consolidated Law comprises OG RS Nos. 53/1995, 16/2001, 20/2009, 55/2013 and 106/2016; the amendments adopted by the National Assembly in 2021 (OG 111/2021) were not promulgated, did not enter into force, and therefore do not form part of the applicable law (see the note on the 2021 amendments below). It establishes the conditions, procedure, and method for transferring real estate from private to public or state ownership, and sets out the rights of the expropriation beneficiary and the former property owner.

Types of expropriation: The Law distinguishes between full expropriation — transfer of ownership — and partial (incomplete) expropriation, which establishes an easement or temporary lease without transferring ownership. Incomplete expropriation is the standard legal instrument for gas pipeline rights-of-way in Serbian practice: ownership remains with the landowner while the energy company acquires the right to construct, operate, and maintain the pipeline. For compensation purposes, Article 53 provides that easement compensation equals the amount by which the market value of the burdened land or building has been diminished by the establishment of the easement.

Procedure: Expropriation may only be carried out where the Government of the Republic of Serbia has declared the existence of public interest (Article 20). Once public interest is established, the expropriation beneficiary (which may include the Republic of Serbia, a public company, or a company majority-owned by the state) submits a formal expropriation proposal to the competent municipal administration. Following the finality of the expropriation decision, the beneficiary must submit a written offer on the form and amount of compensation within 15 days, and the municipal administration schedules a hearing for the amicable determination of compensation without delay. The general Law on Expropriation does not designate all proceedings as urgent, nor does it impose the five-day owner-response deadline previously stated here: that accelerated regime derives from project-specific *lex specialis* adopted for earlier gas transmission projects (South Stream / Bulgaria Border–Hungary Border), discussed below, and does not apply to this Project unless a future legal instrument expressly extends it.

Compensation: The Law provides for compensation in the form of equivalent replacement property or, more commonly, cash at the current market value of the expropriated real estate. The expropriation beneficiary submits a compensation offer based on a Tax Administration assessment and, for structures, a court-appointed expert valuation. If the parties agree, the agreement has the force of an enforceable instrument. If no agreement is reached within two months of the expropriation decision becoming final, the competent court determines compensation in non-contentious proceedings.

2021 Amendments (adopted but not in force): The amendments adopted by the National Assembly in 2021 (OG 111/2021) would have introduced, among other things: (i) urgent status for all proceedings; (ii) extension of the public interest definition to projects implemented under international treaties; (iii) compensation for illegal buildings with pending legalisation at construction value; and (iv) a temporary representative mechanism where a registered owner's whereabouts are unknown. Following public controversy, the President of the Republic returned the adopted law to the National Assembly and the Government announced its withdrawal; accordingly, the 2021 amendments were not promulgated and must not be cited as applicable law. The episode nonetheless remains relevant to project risk assessment, as it illustrates the legal and social sensitivity of accelerated expropriation procedures, short deadlines for affected owners and broad formulations of public interest, and reinforces the need for early disclosure, meaningful consultation and adequate response time under this RPF.

Forms of acquisition and restrictions on land use. The Law on Expropriation distinguishes complete expropriation (transfer of ownership), incomplete expropriation (establishment of a servitude, or a fixed-term lease of up to three years under Article 5), and temporary occupation of land. Temporary occupation may last no longer than three years, must be terminated as soon as the need for which it was determined ceases, and requires the land to be returned to its previous condition. Preliminary information indicates that the Project will rely predominantly on servitudes, safety and protection zones, temporary occupation and access arrangements rather than large-scale acquisition of entire parcels; this must be verified against the final alignment, cadastral data, technical design and the census and socio-economic survey for each RAP/LRP.

Preparatory activities (Article 7). A legal entity intending to submit an expropriation proposal may, with the approval of the Ministry of Finance, carry out preparatory activities on specific immovable property — such as soil investigation, surveying and technical inspection — for the purposes of a feasibility study, a public-interest proposal or an expropriation proposal, and these should not be scheduled at a time unsuitable for the owner having regard to land cultivation and use. Such activities are not themselves expropriation, but may affect crops, fences, access and land use. They should be managed with prior notice to owners and users, minimisation of disturbance, restoration of any affected land, compensation for damage caused, and access to the project grievance mechanism, consistent with ESS5, ESS10 and ESS4.

Beneficiary, security for compensation and costs. The identity and legal status of the beneficiary of expropriation must be verified for each pipeline section and facility, as different entities — the Ministry of Mining and Energy, Srbijagas, Transportgas Srbija or Government designated expropriation beneficiary / asset owner — may be involved in preparation, ownership, construction or operation. Where the beneficiary is Government designated expropriation beneficiary / asset owner, the expropriation proposal must be accompanied by a bank guarantee securing the compensation funds, valid and indexed until payment; public beneficiaries unable to hold commercial-bank accounts may instead provide evidence of secured budgetary funds. The beneficiary must also register a notation of expropriation in the real estate cadastre, and the costs of the expropriation and amicable-compensation procedures are borne by the beneficiary — affected persons should not bear the costs of the procedure.

Hearing of the owner and identification of all affected persons. Before issuing the expropriation decision the competent authority must hear the owner on facts relevant to the expropriation. The statutory procedure is structured around formally registered owners; for ESS5 purposes it must be supplemented by identification and consultation of all affected persons, including co-owners, registered and unregistered users, tenants, occupiers, persons with informal use of land, and persons whose livelihoods may be affected even though they are not recorded as owners in the cadastre.

Residual land and severance (Articles 10 and 30). Where only part of a property is expropriated, the former owner may request expropriation of the remaining part if he or she has no economic interest in it or if its use would make subsistence impossible or substantially more difficult. The authority must inform the owner of this right and record the instruction in the minutes; the request may be submitted up to two years after completion of the works. For the Project, partial acquisition, servitudes, working strips, access roads and safety zones may leave residual land with impaired access, reduced size or diminished agricultural viability. These severance impacts should be assessed during cadastral review, field verification and the socio-economic survey and — consistent with ESS5 — for all affected users and livelihood-dependent persons, not only registered owners.

Agricultural land and the substitute-land question (Article 15). As a general rule, where arable land is expropriated from a person whose livelihood depends on it, compensation may, at that person's request, be provided by granting corresponding land of the same culture and class, or of corresponding value, in the same place or nearby. The Law disapplies this general rule for, among others, the transport, storage and processing of oil and natural gas and the construction of certain energy facilities — categories that expressly include gas infrastructure — yet a further provision requires substitute agricultural land specifically for the construction of linear infrastructure facilities, with monetary compensation only where corresponding land cannot be offered. Because gas transmission infrastructure may be characterised as both gas infrastructure and linear infrastructure, the entitlement to substitute land is legally ambiguous. This is a legal and social risk: it may affect the predictability and consistency of entitlements, the treatment of comparable affected persons, and the ability of households to know in advance whether substitute land or only money is available, and it may create scope for inconsistent practice. The RPF should not rely on the interpretation of Article 15 alone; pending clarification of administrative and judicial practice — and review of past gas-pipeline expropriation records with Srbijagas — affected agricultural households should be assessed on the basis of actual livelihood impacts and ESS5 replacement-cost principles, and a clear project-level entitlement framework should specify when monetary compensation, substitute land, livelihood restoration or transitional assistance will be offered. Article 15 also provides for replacement of structures used for livestock breeding or the storage or processing of agricultural products where such income is essential to the former owner's livelihood.

Valuation of land, perennials and crops. Compensation is generally determined in money at market value assessed by the authority competent for the tax on transfer of absolute rights over immovable property; given current institutional uncertainty over tax competences, the competent body should be verified for each city or municipality at RAP preparation and mapped as a stakeholder in the SEP. Specific valuation rules apply to vineyards and orchards (land, non-depreciated establishment and maintenance investments, and net yield foregone until a replacement comes into full bearing), nurseries, and forests (timber value less production costs for mature forest; establishment costs plus a growth factor for young forest; in each case increased by the value of the land). The former owner is entitled to remove crops and collect fruit and, where urgent works begin earlier, to compensation for crops or fruit at market value less harvesting costs. The Law also allows compensation above market value where the former owner's material, personal and family circumstances (household size, earning capacity, health, income) are essential to subsistence — although ESS5 requires a broader and more systematic assessment of livelihood restoration and vulnerability for all affected persons.

Cut-off date (Article 50). Article 50 limits compensation for investments made after the owner has been informed in writing that an expropriation proposal has been submitted, except for costs necessary for use of the property. This statutory rule underpins the project cut-off date concept and should be clearly communicated to affected persons through disclosure and consultation, alongside the census-based cut-off established under each RAP.

Entry into possession and ESS5 sequencing. As a general rule the beneficiary acquires the right to enter into possession only when the compensation decision becomes final or a compensation agreement is concluded. The Law allows earlier handover in exceptional, urgency-based cases, and provides a specific rule for facilities for the production, transmission or distribution of electricity and for linear infrastructure facilities, under which handover may proceed on the basis of a final administrative expropriation decision provided the elements for determining compensation have been established. A gas transmission pipeline is expected to qualify as linear infrastructure, so this exception is directly relevant, and securing funds or a guarantee is not equivalent to payment. The RPF therefore establishes a clear project-level rule that no land, structures, assets or access rights will be taken, and no physical or economic displacement will occur, before compensation at replacement cost and all applicable assistance have been provided — even where domestic law would permit earlier entry into possession. Each RAP/LRP will implement a sequencing mechanism linking cadastral identification, census and asset inventory, valuation, disclosure of entitlements, payment and assistance, and only then possession or commencement of works.

Compensation disputes and legal remedies. If no compensation agreement is reached within two months of the expropriation decision becoming final, the municipal administration must refer the case to the competent court, which determines compensation ex officio and as a matter of urgency in non-contentious proceedings under the Law on Non-Contentious Proceedings (Articles 132–140); the beneficiary bears the procedure costs. Affected persons retain access to administrative appeal (decided by the ministry responsible for finance), judicial review in an administrative dispute, the court compensation procedure, constitutional complaint and, after exhaustion of domestic remedies, the European Court of Human Rights. The project grievance mechanism complements and does not replace these remedies, and its use does not restrict access to them. Court determination of compensation is a domestic mechanism for resolving disputes after the decision is adopted; it is not a substitute for the ESS5 requirement that compensation and assistance be provided before land, assets, access or livelihoods are taken.

Project-specific lex specialis precedent. Serbia has previously enacted project-specific legislation for major gas transmission infrastructure — originally for the South Stream system and, as amended in 2018, for the Main Gas Pipeline Bulgaria Border–Hungary Border (OG RS Nos. 17/2013 and 95/2018) — which determined public interest directly by law and introduced accelerated procedures. Its features included temporary occupation of up to five years, a five-day period for the affected party to comment, adoption of decisions without a prior hearing, a non-suspensive appeal, and entry into possession seven days after the decision, without a clear link to prior payment of compensation. That regime does not apply to this Project unless a future legal instrument expressly extends a similar special regime, but it is important for legal and social risk assessment: it illustrates the fast-track model that may be considered for linear gas infrastructure, and the clearest ESS5 concern it raises is sequencing — possession being taken before finality, before completion of appeals and before compensation is determined or paid. Should any similar special regime be applied to the Project, it would need to be supplemented at project level by early disclosure, meaningful consultation, parcel-level verification, an accessible grievance mechanism, and an overriding commitment that no land, restriction, entry into possession or works occur before compensation at replacement cost and all applicable assistance have been provided in accordance with ESS5.

Law on Planning and Construction

The Law on Planning and Construction (Official Gazette RS No. 72/2009, as amended through 83/2018, 31/2019, 9/2020, 52/2021, 62/2023 and 91/2025) governs spatial planning, construction permitting, and land use management in Serbia. National and regional spatial plans designate energy infrastructure corridors; once a gas pipeline corridor is included in a planning document it provides the basis for initiating a public interest declaration. Gas transmission infrastructure is typically designated as infrastructure of national importance, with the Ministry of Mining and Energy acting as the one-stop permitting authority. The Law establishes the procedure for changing the intended use of land from agricultural or forest to infrastructure use, requiring payment of land conversion fees. Construction permits for gas transmission infrastructure are issued pursuant to this Law and the Energy Law, and land must generally be legally available — expropriated or subject to agreed easement — before a construction permit is issued. The Law also requires restoration of disturbed land to its pre-construction condition following works, which is directly relevant to temporary land use compensation under the RPF.

Planning documents, restrictions on land use and public participation. Planning documents may create or formalise restrictions on land use even before formal expropriation, easement or temporary occupation, affecting owners, users, agricultural production, access, development potential and the practical usability or value of parcels. They must therefore be reviewed together with cadastral data, field verification and socio-economic information to identify all affected persons, assets and land uses. The Law also provides statutory participation mechanisms — early public insight during plan preparation (Article 45a) and public insight into the draft plan (as a rule 30 days, announced in the daily and local press), during which interested persons may submit comments addressed in the planning commission's report. For minor amendments (Article 51b) a shortened procedure applies, with no early public insight and public insight of at least 15 days limited to the amended part. These mechanisms support transparency but are not a substitute for project-level engagement: the SEP should build on them with timely disclosure, targeted engagement with affected persons and vulnerable groups, and an operational grievance mechanism, and any use of the shortened amendment procedure for project-related changes should be screened for effects on the route, protection zones, affected parcels, land-use restrictions and cumulative impacts.

Applicable planning basis. A decision has been adopted to prepare the Spatial Plan for the Special Purpose Area of the bidirectional main gas pipeline Niš–Batajnica–Horgoš–Hungarian border, with elements of detailed regulation (OG RS No. 4/2024), which appears to cover the wider corridor within which the Trupale–Pojate section is located. This decision and the subsequent planning materials should be reviewed to confirm the planning basis, territorial scope, responsible authorities, route alternatives, affected municipalities and cadastral municipalities, protection zones, above-ground facilities, access roads, public-purpose areas, easements, temporary occupation needs and other restrictions relevant to the ESIA, RPF and SEP.

Special rules for linear infrastructure (Articles 69 and 88). Article 69 provides that underground parts of linear infrastructure within the corridor may be built without forming a separate construction parcel; that land above underground linear infrastructure need not be designated a public-purpose area; and that resolved property relations may be evidenced by servitude or lease agreements, owner or user consents, or final administrative or court decisions establishing a servitude — consistent with the expected reliance on servitudes and limited acquisition for above-ground facilities. Article 69 also entitles the investor to a right of passage and transport across neighbouring land where required by construction technology, subject to compensation for damage and restoration of the land, with the court deciding if no agreement is reached; such construction access, working strips and transport routes should be identified in advance, disclosed, documented, compensated and reinstated in line with ESS5. Under Article 88, where expropriation is initiated for land whose designated purpose has been changed for a linear infrastructure project of special importance, compensation is determined as for agricultural or forest land, because the land is treated as agricultural or forest land until a construction permit is requested — a rule that should be reviewed carefully in each RAP because it affects valuation and landowner expectations. Preparatory works for linear infrastructure may proceed under a temporary construction permit and may still cause land-access, crop, soil, traffic, safety and livelihood impacts that must be screened, disclosed and managed before they begin.

Law on Energy

The Energy Law (Official Gazette RS No. 145/2014, as amended through 95/2018, 40/2021, and 55/2023) transposes relevant EU energy directives into Serbian law and establishes the regulatory framework for the energy sector, including gas transmission. The Law grants licensed gas transmission entities (Government designated expropriation beneficiary / asset owner) the right to construct energy facilities on third-party land, subject to agreement with the landowner or, where agreement cannot be reached, through expropriation under the Law on Expropriation. The Energy Law establishes the right to a permanent servitude (easement) over land for gas transmission pipelines and associated infrastructure; compensation for this servitude is governed by Article 53 of the Law on Expropriation, calculated as the diminution in market value of the burdened land. During construction, energy entities may temporarily use adjacent land for equipment, access, and construction activities, subject to payment of compensation for temporary use and any damage caused. The Energy Law does not itself establish a comprehensive compensation framework: it relies on the Law on Expropriation for compensation calculation, meaning the same gaps relative to ESS5 identified in Section 4.2.2 apply equally to easements established under energy legislation.

Other Relevant Legislation

The following are also of relevance to the overall project development:

- **Law on Agricultural Land (Official Gazette RS No. 62/2006, as amended through 112/2015):** Governs the use, protection, and change of purpose of agricultural land. Infrastructure development on agricultural land requires Ministry of Agriculture approval and payment of a conversion fee into the Agricultural Land Fund proportional to the land classification and area. Classes I-IV agricultural land carry the highest protection and conversion fees. Landowners whose agricultural land is affected by construction must be compensated for crop losses and any soil degradation, supplementing the easement compensation under the Expropriation Law.
- **Law on Forests (Official Gazette RS No. 30/2010, as amended through 93/2012 and 89/2015):** Governs forest land management and conditions for non-forestry use. Construction of gas infrastructure through forest land requires authorisation from the Forest Directorate (Ministry of Agriculture) and payment of a compensation fee into the Forest Fund. Developers must provide equivalent replanting on alternative land. Timber trees felled within pipeline corridors must be compensated at timber market value. These requirements are incorporated into the RAP entitlement matrix for affected forest land.
- **Law on Property and Other Real Rights (Official Gazette RS No. 115/2005, as amended):** Establishes the general framework for property ownership, co-ownership, and real rights including easements (servitudes). Pipeline easements established under the Energy Law and Law on Expropriation are

registered as encumbrances on land title in the Real Estate Cadastre maintained by the Republic Geodetic Authority (RGA). This Law defines the content and scope of easements and the rights of servient landowners, forming the legal basis for the permanent ROW instrument used for gas transmission pipelines.

- **Labour Law (Official Gazette RS No. 24/2005, as amended):** Relevant to livelihood restoration where project-affected businesses or employment are disrupted. Minimum standards for employment termination compensation under the Labour Law inform benchmarks for business income loss compensation in the RPF entitlement matrix.
- **Law on Local Self-Government (Official Gazette RS No. 129/2007, as amended):** Municipalities play an essential procedural role — the competent municipal administration body receives and processes expropriation proposals, issues expropriation decisions, and participates in compensation agreement processes. Municipalities also maintain local spatial plans identifying infrastructure corridors, issue local permits, and are key stakeholders in community consultation. The project will engage affected municipalities systematically throughout RAP preparation and implementation.
- **Law on General Administrative Procedure (Official Gazette RS No. 18/2016):** Governs all administrative proceedings in Serbia, including expropriation. Establishes due process rights: the right to be heard, the right of appeal, access to the case file, and mandatory notification of affected parties. These procedural protections are relevant to the expropriation procedure and inform the notification and appeals standards applied in this RPF.
- **Law on State Survey and Cadastre (Official Gazette RS No. 72/2009, as amended):** The Republic Geodetic Authority (RGA) maintains the Real Estate Cadastre — the authoritative register of land ownership, area, land classification, and registered encumbrances. Cadastral records are the primary basis for identifying legal property owners (Category A PAPs), the extent of affected land, and cadastral values used as reference points in compensation assessments. The RAP preparation process will involve systematic cadastral cross-referencing for all affected parcels.

International Human Rights Instruments

Under Articles 16 and 194 of the Constitution, ratified international treaties form an integral part of the Serbian legal order and laws must not be contrary to them. The following international human rights instruments ratified by Serbia are therefore directly relevant to land acquisition, restrictions on land use, environmental and social assessment, stakeholder engagement, and access to remedies under the Project.

- European Convention on Human Rights (ECHR) — in particular Article 1 of Protocol No. 1: Serbia has been bound by the ECHR since 3 March 2004. Article 1 of Protocol No. 1 protects the peaceful enjoyment of possessions and permits deprivation or control of property only where lawful, in the public or general interest, and proportionate. This standard is directly relevant to land acquisition, expropriation, easements, safety zones, restrictions on land use, compensation, and the availability of effective remedies. The case law of the European Court of Human Rights is also relevant to the assessment of whether affected persons are required to bear an excessive individual burden. The constitutional protection of property under Article 58 must be interpreted consistently with this standard.

- International Covenant on Civil and Political Rights (ICCPR): Binding on Serbia by succession from 27 April 1992. Relevant to equality before the law, non-discrimination, due process, access to justice, and effective remedies in administrative and judicial procedures concerning land acquisition, compensation, and grievances.
- International Covenant on Economic, Social and Cultural Rights (ICESCR): Binding on Serbia by succession from 27 April 1992. Relevant to assessment of social impacts, including impacts on livelihoods, housing, health, access to services, and basic living conditions, particularly where land acquisition or restrictions on land use may affect vulnerable households, agricultural activities, or access to essential services.
- Convention on the Elimination of All Forms of Discrimination against Women (CEDAW): In force for Serbia since 11 April 2001. Relevant to ensuring that women and men have equal access to project information, consultations, compensation, livelihood restoration measures, employment opportunities, and grievance mechanisms. This is particularly important where ownership, inheritance, or land use arrangements may result in women's interests not being fully reflected in formal records or consultations. The RPF's gender-sensitive approach (Section 4.3) is grounded in part in this obligation.
- Convention on the Rights of Persons with Disabilities (CRPD): Ratified by Serbia on 31 July 2009. Relevant to the accessibility of project information, consultations, grievance mechanisms, and relocation assistance, so that persons with disabilities can participate meaningfully and access entitlements on an equal basis with others.
- Convention on the Rights of the Child (CRC): Binding on Serbia by succession from 2 February 1991. Relevant where project-related land acquisition, construction activities, traffic, access restrictions, or livelihood impacts may affect children's safety, access to education, family living conditions, or access to community services. Child-related impacts should be considered where households, schools, playgrounds, pedestrian routes, or community facilities may be affected.
- Framework Convention for the Protection of National Minorities: Ratified by Serbia on 11 May 2001. Relevant to equality, non-discrimination, and the

effective participation of persons belonging to national minorities in matters affecting them. Particularly relevant for parts of the Project extending through ethnically diverse areas, including the Autonomous Province of Vojvodina, where minority communities may require culturally appropriate communication, consultation, and access to remedies. This instrument provides the international law basis for the minority-specific measures in the entitlement matrix (row H4) and stakeholder engagement plan.

- European Charter for Regional or Minority Languages: Ratified by Serbia on 15 February 2006, in force from 1 June 2006. Relevant to the use of minority languages in public communication, access to information, and dealings with public authorities in areas where such languages are in official use. For the Project, this is relevant to disclosure of project information, public consultations, land acquisition procedures, entitlement information, and grievance mechanisms in affected municipalities where minority languages are in official use.

Environmental and Public Participation Conventions

The following environmental and public participation conventions, all ratified by Serbia, are relevant to environmental and social assessment, disclosure, public participation, access to justice, biodiversity, heritage, and landscape protection under the Project.

- Aarhus Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters: Serbia acceded on 31 July 2009 (in force 29 October 2009). Directly relevant to the Project: it requires access to environmental information, meaningful public participation in environmental decision-making, and access to justice in environmental matters. These requirements are directly relevant to information disclosure, stakeholder consultations (governed by ESS10), environmental and social assessment, the project GRM, and access to remedies. The Aarhus Convention provides the international legal foundation for the RPF's information disclosure and GRM obligations in addition to ESS10.
- Espoo Convention on Environmental Impact Assessment in a Transboundary Context: Serbia acceded on 18 December 2007. Relevant where proposed activities may cause significant adverse transboundary environmental impacts. The need for any transboundary notification or consultation should be assessed at screening stage on the basis of the final project design, location, scale, and potential impacts.
- Protocol on Strategic Environmental Assessment to the Espoo Convention (Kiev Protocol): Signed by Serbia on 21 May 2003, ratified 8 July 2010. Relevant to plans and programmes — including spatial plans, sectoral strategies, and special purpose area plans — that set the framework for future development consent of projects likely to have significant environmental effects. Particularly relevant

where the Project depends on spatial plans that determine the route, corridor, or conditions for gas infrastructure development.

- Bern Convention on the Conservation of European Wildlife and Natural Habitats: Ratified by Serbia on 9 January 2008 (in force 1 May 2008). Relevant to protection of wild flora, fauna, and natural habitats, especially where the pipeline corridor may cross or affect protected areas, ecological corridors, or habitats of protected species. Requirements are relevant to biodiversity screening, avoidance of sensitive areas, and design of construction and operational controls.
- Bonn Convention on the Conservation of Migratory Species of Wild Animals: Serbia is a party from 1 March 2008. Relevant where project activities may affect migratory species or their habitats, including birds, bats, and aquatic species. Relevant to route selection, timing of works, habitat fragmentation, and mitigation measures for migratory species.
- Ramsar Convention on Wetlands: In force for Serbia by succession from 27 April 1992. Relevant where the Project may affect wetlands, floodplains, river corridors, marshes, or other wetland habitats. Relevant to screening of sensitive receptors, assessment of hydrological impacts, pollution prevention, and avoidance or mitigation of impacts on wetland ecosystem services.
- Convention on Biological Diversity: Ratified by Serbia on 1 March 2002. Relevant to conservation of biodiversity, sustainable use of biological resources, and avoidance or mitigation of adverse impacts on ecosystems, habitats, and species. Underpins the biodiversity assessment obligations under ESS6 and is relevant where restrictions on natural resource access may have livelihood consequences for affected communities.
- UNESCO Convention Concerning the Protection of the World Cultural and Natural Heritage: Serbia notified succession on 11 September 2001. Relevant where project activities may affect cultural or natural heritage of outstanding universal value, buffer zones, or settings. Informs heritage screening and chance-find procedures under ESS8.
- European Landscape Convention: Signed by Serbia on 21 September 2007, ratified 28 June 2011. Relevant where the Project may affect landscapes, visual character, cultural landscapes, or communities' relationship with their surrounding environment. Relevant to route selection, construction impacts, restoration of disturbed areas, and assessment of visual and landscape effects in sensitive rural or culturally significant areas.

International Labour and Occupational Health and Safety Instruments

Serbia is a member of the International Labour Organization and has ratified 77 ILO Conventions (61 in force), including all fundamental conventions. These instruments are directly relevant to labour management procedures, contractor management, employment practices, worker grievance arrangements, and monitoring of labour conditions under the Project, and should be read alongside the Labour Law (Section 4.2.5) and ESS2. The applicability and status of each convention should be verified against the ILO NORMLEX database at the time of preparing final Labour Management Procedures. The following are of particular relevance.

- ILO Convention No. 87 (Freedom of Association and Protection of the Right to Organise, 1948) and No. 98 (Right to Organise and Collective Bargaining, 1949): Relevant to ensuring that workers engaged by the Borrower, contractors, subcontractors, and primary suppliers are not subject to retaliation, discrimination, or interference in relation to lawful worker organisation and representation.
- ILO Convention No. 29 (Forced Labour, 1930) and No. 105 (Abolition of Forced Labour, 1957): Relevant to labour recruitment, employment contracts, retention of identity documents, wage payment, working hours, freedom to leave employment, and contractor and subcontractor monitoring.
- ILO Convention No. 138 (Minimum Age, 1973) and No. 182 (Worst Forms of Child Labour, 1999): Relevant to preventing child labour and hazardous work by persons below the legally permitted age. Particularly relevant to construction works, security services, transport, auxiliary services, and supply chains where there may be risks associated with informal engagement or subcontracting.
- ILO Convention No. 100 (Equal Remuneration, 1951) and No. 111 (Discrimination in Employment and Occupation, 1958): Relevant to equal treatment, equal pay for work of equal value, and prevention of discrimination in recruitment, working conditions, and employment opportunities across the project workforce.
- ILO Convention No. 155 (Occupational Safety and Health, 1981) and No. 187 (Promotional Framework for Occupational Safety and Health, 2006): Given the nature of the Project — involving excavation, welding, lifting operations, transport, work near existing infrastructure, possible confined-space risks, and exposure to dust, noise, vibration, and gas-infrastructure hazards — OHS requirements must be reflected in Labour Management Procedures, contractor ESMPs, site-specific risk assessments, method statements, emergency preparedness plans, training, supervision, and incident reporting. These conventions provide an important reference framework and should be read together with ESS2, ESS4, and the WBG EHS Guidelines.

Energy Community Treaty and Regional Regulatory Framework

The Energy Community Treaty (signed Athens, 25 October 2005; in force 1 July 2006) is the principal regional legal framework relevant to Serbia's alignment with the EU energy acquis and the development of an integrated regional energy market. Serbia is a Contracting Party and is required to transpose and implement the applicable acquis, covering electricity and gas markets, security of supply, competition, environment, renewable energy, energy efficiency, infrastructure, and related regulatory and institutional reforms. The Energy Community acquis is dynamic and may be amended by decisions of the Energy Community institutions; the current status of Serbia's implementation should be verified against Energy Community Secretariat implementation reports.

The Treaty and the Energy Community acquis are relevant to the Project because the proposed gas infrastructure forms part of the broader development and modernisation of Serbia's gas transmission system and its integration with regional gas networks. In the gas sector, the framework is particularly relevant to transmission system operation, unbundling of operators, third-party access, tariff regulation, transparency, and non-discriminatory access to infrastructure. These issues are directly relevant to the institutional and operational context of the Project, especially where existing and proposed infrastructure may involve different transmission system operators or asset owners — notably as between Transportgas Srbija or Government designated expropriation beneficiary / asset owner. The correct identification of the beneficiary of expropriation for each pipeline section (Section 4.2.2) must therefore be verified against current operator licences, ownership arrangements, and any certification or unbundling decisions, rather than assuming a single operator for all existing and proposed infrastructure. The Energy Community Treaty should be read alongside the Energy Law (Section 4.2.4), Serbian spatial planning and construction legislation, and the World Bank Environmental and Social Framework.

Annex 2: Resettlement Action Plan — Outline for the Serbia Gas Infrastructure Project

This annex provides the standard outline for a full Resettlement Action Plan (RAP) to be prepared for each subproject under Component 1 (Strategic Gas Infrastructure) of the Serbia Strategic Gas Infrastructure and Institutional Strengthening Project (SGIIS, P516640). Each RAP shall be prepared in accordance with World Bank ESS5, this RPF, and applicable Serbian legislation. The outline is tailored to the predominantly easement-based, economic-displacement context of a gas transmission pipeline, but includes provisions for physical displacement should it be required for above-ground facilities.

Note: Sections marked with an asterisk (*) require input from the site-specific census, socio-economic survey and Replacement Cost Study and cannot be completed until field data collection is finalised.

1. Project Description and Justification for Land Acquisition

- Project background: overview of the SGIIS MPA and the specific pipeline section or above-ground facility covered by this RAP.
- Technical description of the subproject: pipeline diameter, length, operating pressure, buried depth, construction method (open trench, HDD, thrust bore), above-ground facilities (compressor stations, VMRS, pig launchers/receivers).
- Maps showing the approved alignment, right-of-way (ROW) corridor, working strip, temporary construction areas, lay-down yards, access roads, and the location of all affected cadastral parcels.
- Description of the design alternatives considered and the reasons for the selected alignment, including measures taken to avoid or minimise land acquisition and displacement (ESS5 Para 5).
- Summary of residual land acquisition and restriction requirements after avoidance and minimisation.
- Planning and permitting basis: reference to the Special Purpose Spatial Plan, Government public-interest declaration, and environmental and social assessment instruments (ESIA/ESMP).

2. Legal and Institutional Framework

- Summary of applicable Serbian legislation: Constitution (Articles 58, 84), Law on Expropriation (OG 53/1995 as amended), Law on Planning and Construction, Energy Law, Law on Agricultural Land, Law on Forests, Law on General Administrative Procedure, and relevant secondary instruments.
- Summary of applicable World Bank standards: ESS5 and related standards (ESS1, ESS2, ESS4, ESS10).

- Gap analysis: cross-reference to the RPF gap analysis (Section 4.3) and confirmation that all gap-filling measures identified in Section 4.4 of the RPF are incorporated in this RAP.
- Identification of the expropriation beneficiary for each pipeline section or facility (Transportgas Srbija, MoME, or other), verified against current operator licences and Energy Community unbundling requirements.
- Ratified international instruments applicable to the subproject area, including the ECHR (Protocol No. 1), Aarhus Convention, and relevant ILO Conventions.
- Institutional responsibilities for RAP implementation: MoME, PIU, Government designated expropriation beneficiary / asset owner, municipal administrations, Republic Geodetic Authority (RGA), courts, Tax Administration.

3. Census and Socio-Economic Survey*

- Methodology: census design, sampling strategy for socio-economic survey, data-collection instruments, training of enumerators, quality assurance and data-verification procedures.
- Census results: total number and demographic profile of project-affected persons (PAPs) and project-affected households (PAHs), disaggregated by gender, age, ethnicity, and disability status.
- Socio-economic baseline: household size, income sources, employment status, land tenure, agricultural activities, livestock, access to services, education levels, food security, and dependence on the affected land or assets.
- Identification and registration of all PAP categories: Category A (formal title holders), Category B (recognised rights holders, tenants, leaseholders), Category C (informal users and occupants), and Category D (host communities, if physical relocation applies).
- Gender analysis: female-headed households, women's land and property rights, participation in agricultural production, access to income and services, barriers to consultation.
- Minority and language profile: identification of national-minority communities (Hungarian, Romanian, Slovak, Roma, and others) along the corridor, official languages in each municipality, and implications for disclosure and consultation.

4. Inventory of Affected Land and Assets*

- Parcel-by-parcel inventory cross-referenced to RGA cadastral records: cadastral municipality, parcel number, registered owner(s), area affected, land classification (agricultural class I–VIII, forest, construction, other), and current land use.
- Identification of all affected assets by type: agricultural land (permanent acquisition, easement, temporary use), structures (residential, commercial, agricultural, ancillary), standing crops and perennial plantings (orchards,

vineyards, nurseries), trees and timber, fences and boundary features, wells and irrigation infrastructure, and access roads or pathways.

- Mapping of easement (servitude) corridor, safety/protection zones, and areas subject to permanent land-use restrictions, with assessment of the practical effect on each affected parcel.
- Identification of any land within the subproject footprint that has been previously taken or affected without a valid expropriation decision or agreement (factual expropriation), with a legacy corrective-action plan.
- Temporary land requirements: lay-down areas, construction camps, pipe stringing areas, spoil storage, access roads, and equipment staging, with estimated duration and area for each.

5. Valuation and Replacement Cost Study*

- Replacement cost methodology as set out in RPF Section 7, including the basis of valuation for each asset class: agricultural land, residential and commercial structures, crops, perennial plantings, timber, and business/income losses.
- Independent Replacement Cost Study (RCS): terms of reference, qualifications of the independent valuer, comparables analysis, adjustment factors for thin rural markets, and resulting unit rates for each land class and structure type in the subproject area.
- Comparison of RCS values with Tax Administration cadastral assessments and with Article 53 easement compensation benchmarks; identification and quantification of the replacement cost top-up for each asset class.
- Valuation of easement compensation: annual or lump-sum payments for permanent productive-use restrictions within the ROW corridor, calculated on the basis of actual income foregone, not solely diminution in cadastral value.
- Valuation of temporary land use: rental payments at or above the annual productive value of the affected land for the construction period, plus compensation for residual damage assessed at final inspection.
- Valuation of crops and perennial plantings: standing crops at market value, orchards and vineyards at establishment cost plus net yield foregone until a replacement comes into full bearing, consistent with the Law on Expropriation and RPF Section 7.

6. Eligibility Criteria and Cut-Off Date

- Eligibility framework: application of the RPF's four-category (A–D) eligibility framework to the subproject, with site-specific examples and any borderline-case protocols.
- Cut-off date: date established (coinciding with census commencement), method of communication to affected communities (public notice, community meetings, municipal announcements), and procedures for late-identified PAPs or disputed eligibility.

- Treatment of improvements and new occupants after the cut-off date.
- Cross-reference to RPF Section 6 and the Entitlement Matrix (Section 8 / Annex 6).

7. Entitlement Matrix*

Full site-specific Entitlement Matrix, adapted from the RPF Entitlement Matrix (Section 8), specifying for each impact type and PAP category the applicable entitlement, compensation methodology, unit rate or formula, responsible institution, and payment modality. The matrix shall cover, at a minimum:

- Permanent land acquisition (full expropriation) at replacement cost.
- Easement (servitude) establishment: diminution-in-value compensation under Article 53 plus replacement cost top-up, annual or lump-sum easement payment for permanent ROW restrictions, and compensation for crops, trees and improvements destroyed during construction.
- Temporary land use: advance rental payment, restoration obligation, and residual-damage compensation.
- Loss of residential, commercial and agricultural structures at full replacement cost (undepreciated), including informal and unlegalised structures (Category C PAPs).
- Loss of crops, perennial plantings and timber.
- Loss of business income: documented income losses during the construction disruption period.
- Transition and moving allowances for physically displaced households.
- Livelihood restoration assistance for significantly affected households (losing ≥10% of productive assets).
- Vulnerability assistance: supplementary allowances and support for female-headed households, elderly, disabled, Roma and other minorities, and households at or below the poverty line.
- Minority-language and cultural accommodation: costs associated with translation, interpretation and culturally appropriate outreach in areas with national-minority communities.

8. Restrictions on Land Use

- Description of all project-related restrictions on land use: permanent ROW strip, safety and protection zones, construction working strip, and any other access or activity restrictions.
- Practical effects on affected landowners and users: prohibited activities (deep ploughing, tree planting, construction within the ROW), residual agricultural use permitted, and any ongoing access restrictions.
- Confirmation that all servitudes are registered in the Real Estate Cadastre maintained by the RGA.

- Compensation for restrictions: annual easement payments or lump-sum compensation for permanent diminution in productive value of the burdened land.

9. Physical Displacement Measures (if applicable)

This section applies where the subproject requires physical displacement, most likely in connection with above-ground facilities (compressor stations, VMRS) or where the pipeline alignment directly affects occupied residential structures.

- Identification of all households and persons subject to physical displacement.
- Relocation options: replacement housing, cash compensation sufficient to purchase equivalent housing, or self-relocation with support. Replacement housing must meet minimum community standards and be provided with security of tenure.
- Resettlement site selection (if applicable): criteria, community consultation, site preparation, environmental and social screening of the relocation site, and measures to mitigate impacts on host communities.
- Transitional support: moving expenses, temporary accommodation, utility reconnection, and transition period assistance.
- Timetable: no household to vacate until replacement housing or full compensation and relocation assistance have been provided and accepted (ESS5 Para 16).

10. Livelihood Restoration Programme*

- Scale and scope of economic displacement: number of PAHs losing agricultural land, number losing ≥10% of productive assets, number of affected commercial enterprises and employees, number of households dependent on natural resources affected by the pipeline.
- Livelihood restoration measures, designed in consultation with affected households: agricultural input support (seed, fertiliser, extension services), vocational training, business re-establishment grants, referral to construction-phase employment, and other local opportunities.
- Specific measures for agricultural livelihood restoration: soil reinstatement and land restoration to pre-construction condition within six months of works completion; compensation for lost production during the construction season; support for transition to alternative crops where ROW restrictions affect land use.
- Eligibility criteria for livelihood support, linked to the census and socio-economic survey baseline.
- Performance indicators and monitoring: household income restoration to at least pre-project levels, measured against baseline data at 6-month, 12-month and 24-month intervals.

11. Vulnerability Assessment and Targeted Assistance*

- Vulnerability screening criteria: female-headed households, elderly persons living alone, persons with disabilities, households at or below the national poverty line, Roma and other ethnic minority households lacking secure tenure, households with no adult member in formal employment.
- Results of vulnerability screening: number and profile of identified vulnerable PAHs.
- Targeted assistance measures: supplementary compensation allowances, priority scheduling for payment and relocation, dedicated social officer support, enhanced post-resettlement welfare monitoring, and referral to government social assistance programmes.
- Gender-specific measures: joint compensation payment to couples for jointly-held property, women-only consultation sessions, direct payment to women in female-headed households, gender-disaggregated monitoring data.
- Minority-language provisions for areas in the Autonomous Province of Vojvodina and other municipalities where minority languages are in official use: disclosure materials, consultation, compensation documents and GRM access in the relevant minority language(s).

12. Consultation and Disclosure

- Consultations conducted during RAP preparation: dates, locations, participants (disaggregated by gender and vulnerability status), issues raised, and project responses.
- Disclosure plan: RAP disclosure on the World Bank external website, MoME website, and locally (municipal notice boards, community centres) at least 30 days before RAP implementation. Serbian-language summary distributed to all affected communities; minority-language versions where required.
- Ongoing consultation during RAP implementation: individual notification of each PAP/PAH before compensation offer, community meetings at key milestones (start of works, mid-construction, land restoration), and women-only and minority-specific sessions.
- Disclosure of entitlements: individual entitlement statement provided to each PAP, setting out the compensation and assistance to which they are entitled under the Entitlement Matrix.
- Records management: all consultation records, attendance lists, and feedback documented and archived by the PIU.

13. Grievance Redress Mechanism

- Description of the project-level GRM as established under RPF Section 12, including intake procedures, registration, triage, investigation, resolution, escalation, and appeal.

- Site-specific GRM arrangements: location of complaint intake points, identity and contact details of the Community Liaison Officer for the subproject, response timescales at each tier.
- Register of any pre-existing or unresolved grievances relating to prior land acquisition within the footprint, and arrangements for their resolution.
- Confirmation that the GRM complements and does not replace access to administrative appeals, courts, constitutional complaint, or the European Court of Human Rights (RPF Section 12.1).
- GRM accessibility: provisions for illiterate PAPs, minority-language speakers, persons with disabilities, and women who may face barriers to lodging complaints.

14. Compensation Payment Procedures and Sequencing

- Step-by-step compensation process: cadastral identification, census, asset inventory, valuation, individual entitlement statement, compensation offer, negotiated agreement (60-day settlement window under the Law on Expropriation), payment, and site handover.
- Replacement cost top-up mechanism: PIU payment of the difference between the statutory compensation amount and the independently verified replacement cost.
- Payment modalities: bank transfer, cheque, or cash (with audit trail); joint payment to co-owners and spouses; direct payment to women in female-headed households.
- Prior-compensation rule: no land, structures, assets, or access rights will be taken, and no physical or economic displacement will occur, before compensation at replacement cost and all applicable assistance have been provided (ESS5 Para 16, RPF Section 4.4).
- Site Access Clearance Certificate (SACC): PIU Social Safeguards Officer certifies parcel-by-parcel that all compensation has been paid, all agreements signed, and livelihood restoration arrangements initiated, before the civil works contractor is granted access.
- Handling of disputed compensation: court determination procedures under the Law on Non-Contentious Proceedings; interim arrangements to ensure civil works on unaffected parcels are not delayed by disputes on individual parcels.

15. Organisational Arrangements and Responsibilities

- Institutional roles: MoME (overall accountability and RAP sign-off), PIU (preparation, implementation and monitoring), Government designated expropriation beneficiary / asset owner (expropriation beneficiary, compensation payment under the Law on Expropriation), RGA (cadastral verification), municipal administrations (expropriation decisions), Tax Administration (market value assessment), courts (compensation disputes).

- PIU staffing for the subproject: Social Safeguards Officer, Community Liaison Officer(s), and contracted specialists (survey teams, independent valuer, livelihood restoration consultant).
- Coordination mechanism between the PIU and Government designated expropriation beneficiary / asset owner to align the statutory expropriation process with the ESS5 gap-filling measures (replacement cost top-up, vulnerability assistance, livelihood restoration).
- Contractor obligations: civil works contracts to include a condition precedent on compensation completion (SACC) and contractual obligations regarding temporary land use, land restoration, and construction-impact management.

16. Implementation Timetable*

- Gantt chart or timeline linking RAP activities to the overall project and construction schedule: census, Replacement Cost Study, RAP preparation, MoME and World Bank clearance, RAP disclosure (30 days), compensation offers, negotiated settlement period (60 days), compensation payment, SACC issuance, civil works commencement, construction period, land restoration, livelihood monitoring, and completion audit.
- Critical-path dependencies: no civil works before SACC; no SACC before full compensation; no compensation offers before Replacement Cost Study approval.
- Contingency provisions for delays in compensation agreement, court-determined compensation, and late-identified PAPs.

17. Budget and Financial Arrangements*

- Itemised RAP budget covering: land acquisition and easement compensation, structure compensation, crop and tree compensation, temporary land-use compensation, transition and moving allowances, livelihood restoration programme costs, vulnerability assistance, consultation and disclosure, GRM operation, RAP preparation and independent valuation, monitoring and completion audit, administrative costs, and contingency (≥10%).
- Source of funds: project financing, Government counterpart financing, Government designated expropriation beneficiary / asset owner statutory compensation obligation, and any co-financing arrangements.
- Financial management: disbursement procedures, payment authorisation, auditable records, and reporting to MoME and the World Bank.
- Contingency fund: held at project level, drawable for additional parcels, late-identified PAPs, court-determined compensation above initial estimates, scope changes, and exchange-rate adjustments.

18. Monitoring, Evaluation and Completion Audit

- Internal monitoring: monthly process monitoring by the PIU Social Safeguards Officer covering census completion, compensation offers, agreements signed, payments made, SACC issuance, grievances received and resolved, and livelihood programme progress.
- PAP database: secure, parcel-linked database recording each PAP/PAH, entitlements, payment status, agreement status, SACC status, grievances, vulnerability classification, and livelihood-restoration progress.
- Agricultural and land restoration monitoring: soil quality, drainage, topography, crop productivity and land reinstatement assessed before, during, and after construction, with remediation where restoration standards are not met within six months.
- Semi-annual resettlement progress reports submitted by the PIU to MoME and the World Bank, including a principles-compliance assessment against RPF Section 5.
- Independent external monitoring: appointment by MoME of an independent external resettlement monitor, conducting semi-annual field reviews, interviewing PAPs, verifying payment and entitlement records, and reporting to MoME and the World Bank.
- Completion audit: independent audit conducted prior to project closure, measuring livelihood restoration outcomes against the pre-project baseline established in the census and socio-economic survey (RPF Section 14.5.4). The audit verifies that all compensation has been paid, all land restored, and all livelihood indicators have been restored to at least pre-displacement levels.

Annex 3: Sample Socio-Economic Baseline Survey Questionnaire

This appendix provides a sample household-level socio-economic baseline survey instrument for use in the census and socio-economic survey described in RPF Section 14.5.4 and Annex 2, Section 3. The instrument is illustrative: it is to be adapted to the specific subproject footprint (pipeline section or above-ground facility) and translated into Serbian and, where relevant, minority languages spoken in the affected municipalities, before use. The survey is administered to every identified project-affected household (PAH), in conjunction with the parcel-by-parcel asset inventory (Annex 2, Section 4), and provides the pre-displacement baseline against which livelihood restoration outcomes are measured at the completion audit (Annex 2, Section 18).

Administration of this questionnaire is voluntary. Enumerators shall explain the purpose of the survey, the project context, and the respondent's right to decline to answer any question or to withdraw at any time, before beginning the interview. No question in this instrument requests information on national identification numbers, bank account details, or other sensitive personal data beyond what is necessary for eligibility determination and livelihood-restoration planning. Completed questionnaires shall be stored securely by the PIU and used only for purposes of this Project, consistent with RPF Section 12.4 and applicable Serbian data-protection legislation.

C.1 Survey Administration and Identification

To be completed by the enumerator prior to the interview.

Field	Entry	Field	Entry
Questionnaire ID		Date of interview	
Enumerator name		Enumerator ID	
Municipality		Cadastral municipality	
Settlement / village		GPS coordinates (household)	
Affected parcel number(s)		Category (A/B/C/D, per RPF Section 6)	
PAP / PAH register ID		Interview language used	
Interpreter used (Y/N)		Interview start / end time	

C.2 Respondent and Household Head Information

Item	Response
Name of respondent	
Relationship of respondent to household head	
Name of household head	
Sex of household head	Male ☐ Female ☐
Is this a female-headed household?	Yes ☐ No ☐
Household head date of birth / age	
Household head national or ethnic self-identification (voluntary)	
Total number of household members (usual residents)	
Contact telephone number (optional)	

C.3 Household Roster

List all persons who normally reside in and eat from the same household, including those temporarily absent (e.g. for work or study) but excluding visitors.

No.	Name	Sex (M/F)	Age	Relationship to head	Education level completed	Main occupation / income activity
1						
2						
3						
4						
5						
6						

(Add additional rows as needed for larger households.)

C.4 Housing and Living Conditions

Item	Response
Tenure status of dwelling	Owner ☐ Tenant ☐ Rent-free occupant ☐ Informal occupant ☐ Other ☐
Type of structure	Permanent ☐ Semi-permanent ☐ Temporary ☐
Main construction material (walls / roof)	
Number of rooms used for living	
Legal / documentary status of dwelling	Registered title ☐ Use permit ☐ Undocumented ☐ Other ☐
Source of drinking water	
Sanitation facility	
Source of electricity	Grid connection ☐ Other ☐ None ☐
Cooking fuel	
Distance / travel time to nearest paved road	

C.5 Land Tenure, Land Use and Project-Affected Parcels

To be completed for each parcel identified in the asset inventory (Annex 2, Section 4) as affected by the subproject, whether by permanent acquisition, easement / servitude, or temporary construction use.

Parcel no.	Cadastral no.	Area (m2 / ha)	Land class / use	Tenure documentation	Impact type (acquisition / easement / temporary)	% of parcel affected
1						
2						
3						

Total land held by household prior to the project (all parcels, whether affected or not), by land class:

- Agricultural land (irrigated): ____ ha
- Agricultural land (non-irrigated): ____ ha
- Orchard / vineyard / perennial plantings: ____ ha
- Forest land: ____ ha
- Residential / homestead plot: ____ ha
- Other (specify): ____ ha

Does the household hold land under a form of tenure other than registered ownership (e.g. inherited but unregistered, long-term lease, customary or informal use)? If so, describe.

C.6 Agricultural Production and Livestock

Crop / product	Area planted (ha)	Typical annual yield	Share sold vs. consumed	Irrigated (Y/N)

Livestock type	Number held	Main use (sale / consumption / draught)	Estimated annual value
Cattle			
Sheep / goats			
Poultry			
Other			

C.7 Household Income and Livelihood Sources

Rank the household's income sources in order of importance and provide an estimated annual contribution of each. This information establishes the pre-displacement income baseline used for livelihood-restoration monitoring (Annex 2, Section 10).

Rank	Income source	Household member(s) involved	Estimated annual contribution (RSD)
1			
2			
3			
4			

- Does any household member operate a registered or unregistered business, shop, or workshop affected by the project? Yes ☐ No ☐ If yes, describe.
- Does the household receive remittances, pensions, or social assistance transfers? Yes ☐ No ☐ If yes, specify source and approximate amount.
- Does household income vary significantly by season? Yes ☐ No ☐ If yes, describe.
- Estimated total annual household income, all sources (RSD): ____________
- In the last 12 months, did any household member: (a) worry about not having enough food; (b) skip a meal because there was not enough food or money; (c) eat less than they thought they should; (d) go a whole day without eating? (Yes ☐ No ☐ — each.)
- In which months of the year does the household experience the greatest difficulty meeting food needs? (Specify months.)

- What are the main coping strategies used in difficult periods? (Reduce meal size ☐ Borrow food ☐ Buy on credit ☐ Sell assets ☐ Seek assistance ☐ Other ☐ — specify.)

C.8 Structures, Improvements and Other Assets Affected

List all structures, improvements, trees, and other fixed assets located on the affected parcel(s), cross-referenced to the detailed asset inventory in Annex 2, Section 4.

No.	Asset type (house / outbuilding / fence / well / tree / other)	Approximate size or quantity	Construction material / species	Legal status (registered / unregistered)
1				
2				
3				

C.9 Vulnerability Screening

This section identifies households eligible for the targeted vulnerability assistance described in Annex 2, Section 11. Responses are used solely to determine eligibility for support and are not disclosed beyond the PIU social safeguards team.

Indicator	Yes	No
Household is female-headed with no adult male income earner	☐	☐
Household head or spouse is 65 years or older and lives alone or without working-age support	☐	☐
A household member has a disability affecting mobility, self-care, or income-earning capacity	☐	☐
Household self-identifies as Roma or another national minority and lacks secure tenure documentation	☐	☐
Household has no adult member in regular formal or informal employment	☐	☐
Household is landless or holds no other land beyond the affected parcel(s)	☐	☐
Household self-assesses as being at or below the national poverty line	☐	☐
Household includes a child-headed household or unaccompanied minor	☐	☐

C.10 Anticipated Support Needs and Restoration Preferences

This section captures the household's preferences and anticipated support needs, so that the RAP and livelihood-restoration programme can be tailored appropriately. Responses are non-binding indications, do not affect entitlements, and are used to inform planning and consultation.

- For any affected land, would the household prefer cash compensation, land-for-land exchange, or a combination? (Cash ☐ Land-for-land ☐ Combination ☐ Undecided ☐)

- For any affected business, shop, or workshop: what forms of support would most help the business continue or re-establish? (Relocation assistance ☐ Replacement premises ☐ Working capital ☐ Retraining ☐ Customer notification support ☐ Other ☐ — specify.)
- If physical relocation is required or anticipated, does the household have a preferred relocation area? (Same settlement ☐ Same municipality ☐ Other ☐ — specify.)
- What are the household's principal concerns about the project, and what forms of assistance would most help address them? (Open response.)
- Are there household members who would need particular assistance during any relocation or livelihood transition? (Elderly ☐ Disabled ☐ Children in school ☐ Chronically ill ☐ Other ☐ — specify.)

C.11 Access to Services and Infrastructure

Service	Distance / travel time	Mode of access (foot / vehicle / public transport)
Primary school		
Primary health centre		
Market / shops		
Public administration office		
Public transport stop		

C.12 Project Awareness, Consultation and Grievance Redress

- Has the household been informed about the project and the reason for this survey? Yes ☐ No ☐
- Has the household participated in any project consultation meeting? Yes ☐ No ☐ If yes, when and where?
- What is the household's preferred means of receiving project information (public meeting, written notice, telephone, other)?
- Is the household aware of the project Grievance Redress Mechanism and how to submit a complaint (RPF Section 12)? Yes ☐ No ☐
- Does the household have any existing concerns, questions, or unresolved issues related to prior land acquisition, if applicable?
- Does the household have any expectations or suggestions regarding compensation or livelihood restoration assistance?

C.13 Gender- and Minority-Specific Questions

These questions are voluntary and are asked, where possible, to a female household member.

- Who in the household usually makes decisions about the use and sale of agricultural land or produce?
- Are women in the household registered as co-owners or holders of any affected land or structures? Yes ☐ No ☐
- Is there a preference for compensation to be paid jointly to both spouses or directly to a female household member? Describe.
- What language(s) does the household use at home? Is a translated version of project materials needed?
- Does the household face any specific barriers to attending consultation meetings or lodging grievances (e.g. childcare responsibilities, mobility, literacy)?

C.14 Respondent Declaration and Consent

I confirm that I have voluntarily provided the information above for the purposes of the Serbia Gas Infrastructure and Institutional Strengthening Project (SGIIS, P516640) resettlement planning process. I understand that this information will be used to assess project impacts and eligibility for compensation and assistance, and that I may decline to answer any question without any effect on my eligibility for entitlements under the Resettlement Policy Framework.

Respondent signature / thumbprint	Date
Enumerator signature	Date

C.15 Notes for Enumerators

- Conduct the interview in a language the respondent understands; use a qualified interpreter where required and record this in Section C.1.
- Interview the household head or, in their absence, the most knowledgeable adult household member; wherever possible, ensure a female household member is present for Section C.12.
- Cross-check parcel and asset information in Sections C.5 and C.8 against the cadastral records and the parcel-by-parcel asset inventory prepared under Annex 2, Section 4; note any discrepancies for follow-up.
- Complete the vulnerability screening in Section C.9 sensitively and confidentially; do not discuss individual responses with other household members or community members.
- Submit completed questionnaires to the PIU Social Safeguards Officer within 48 hours of the interview, together with the enumerator's field notes and any supporting photographs of the parcel or structures (with the respondent's consent).

- Flag any household displaying signs of acute vulnerability, distress, or an unresolved legacy grievance for immediate follow-up by the Community Liaison Officer.

Annex 4: TERMS OF REFERENCE

Resettlement Action Plan (RAP)

1. Background and Project Context

The Republic of Serbia, through the Ministry of Mining and Energy (MoME), is implementing Phase I of the Serbia Gas Sector Development Program (SGSD) Multiphase Programmatic Approach (MPA) — the Strategic Gas Infrastructure and Institutional Strengthening (SGIIS) Project (World Bank P516640). Phase I finances the construction of a new high-pressure gas transmission pipeline between the Trupale compressor station (KŠ-Niš) and Pojate (MS-2/PPS-Pojate), approximately 62 km in length, forming the first subsection of the broader Trupale–Pojate–Veliko Orašje corridor.

The pipeline will operate at 75 bar Maximum Operating Pressure with a diameter of DN 1000/900/750 and a technical design life of 50 years. It will be fully buried, with a construction right-of-way (ROW) of 30–50 m and a permanent operational easement corridor of up to 10 m (tree-planting restriction), 60 m (residential construction restriction), and 200 m (cluster development restriction). The route traverses the municipalities of Niš, Aleksinac, Ćićevac, and the Pojate area, predominantly through cultivated cereal cropland in the Južna Morava valley, following an existing pipeline corridor constructed between 1995 and 2003 with deviations for settlement proximity and topography.

The project is classified as Substantial Environmental and Social Risk at Phase I level and High Risk at programme level under the World Bank Environmental and Social Framework (ESF). ESS5 is triggered by land acquisition and imposition of restrictions on land use affecting landowners and land users along the corridor. Physical displacement of households is not anticipated. Economic displacement — arising from temporary restriction of agricultural land use during construction and permanent income impacts from operational easement restrictions — is the primary social risk and the key driver of the RAP.

A programme-level Resettlement Policy Framework (RPF) is required by World Bank appraisal (targeted September 2026) and sets the overarching policy framework, entitlement matrix, and institutional arrangements within which the Phase I RAP is to be prepared and implemented. These Terms of Reference govern the preparation of the Phase I RAP, which must be completed, disclosed, and have compensation payments made in full before any physical works commence on the affected parcels.

2. Legal and Policy Framework

2.1 World Bank ESF – ESS5

The RAP must be prepared and implemented in full compliance with World Bank Environmental and Social Standard 5 (ESS5): Land Acquisition, Restrictions on Land Use and Involuntary Resettlement (2018). The key ESS5 requirements applicable to the Phase I project are:

- Avoid or minimise involuntary resettlement wherever feasible by exploring alternative project designs.
- Where involuntary resettlement is unavoidable, treat it as a development opportunity: provide affected persons with opportunities to share in project benefits and improve, or at least restore, their livelihoods and standards of living.
- All persons affected by land acquisition or restrictions on land use, regardless of formal legal title, are entitled to compensation and livelihood restoration assistance. Informal users, encroachers, and those without formal documentation of rights must be identified and included.
- Compensation must be paid at full replacement cost — defined as the market value of the assets plus transaction costs, without deduction for depreciation — before displacement or restrictions on use occur.
- Livelihood restoration is required for economically displaced persons, even where there is no physical relocation. Income restoration measures must be tailored to the specific circumstances of affected households and monitored to confirm restoration.
- An eligibility cut-off date must be established, communicated to affected communities, and enforced.
- Meaningful consultation with affected persons and communities must be conducted throughout RAP preparation and implementation, with a functioning GRM accessible before any land access occurs.
- Vulnerable persons must be identified and provided with additional assistance appropriate to their specific circumstances.
- The RAP must be disclosed in Serbian and English before implementation and monitored throughout.

2.2 Serbian National Legal Framework

The RAP must also be implemented within the applicable Serbian legal framework. Key instruments and the nature of their interface with ESS5 requirements are described below.

Instrument	Relevance	ESS5 Gap / Interface
Law on Expropriation (OG 53/1995, as amended)	Full expropriation (transfer of ownership) for public interest projects. Procedures for determining compensation, including valuation by the Republic Geodetic Authority (RGA) and court determination if not agreed.	Serbian valuation methodology (market value per cadastral category) may not equal ESS5 replacement cost for smallholder agricultural land. The RPF/RAP must define a supplementary top-up mechanism to bridge any gap.
Law on Expropriation – Incomplete Expropriation / Easement Provisions	Establishes a right of use over a defined corridor without transfer of title. Used for pipeline ROW and operational easement registration. Compensation is	Serbian law does not recognise economic displacement from easement restrictions. ESS5 requires livelihood restoration regardless of the legal mechanism; the RAP must

	paid for the restriction imposed, not for loss of income.	provide income restoration measures beyond statutory entitlements.
Law on State Survey and Cadastre (OG 72/2009, as amended)	Governs cadastral records, land registration, and valuation. The Republic Geodetic Authority (RGA) holds cadastral maps and parcel data.	Cadastral records may not reflect actual land use, particularly for informal users. The RAP census must go beyond cadastral records to identify all actual land users.
Law on Agricultural Land (OG 62/2006, as amended)	Governs use, protection, and conversion of agricultural land. Defines categories of agricultural land relevant to compensation valuation.	Provides the basis for Serbian compensation valuation of agricultural land. Must be cross-referenced against ESS5 replacement cost requirements.
Law on Spatial Planning and Construction (OG 72/2009, as amended)	Governs the Spatial Plan approval process, which determines the legal alignment of the pipeline corridor and triggers land acquisition procedures.	The Spatial Plan approval process may take up to one year from June 2026. The RAP preparation and disclosure must be sequenced with Spatial Plan approval but compensation must be paid before physical works.

Where Serbian law provides a lower standard of protection than ESS5, the RAP must apply the higher ESS5 standard. The RPF will document all identified gaps and the mechanisms through which they will be bridged. The RAP Consultant must be familiar with both frameworks and design the compensation and livelihood restoration package to meet ESS5 requirements, using Serbian legal procedures as the primary instrument where they are adequate and supplementing them with project-specific measures where they are not.

3. Scope of Work

The RAP Consultant shall undertake the following tasks, organised in sequence. Outputs must be provided as standalone deliverables, described in Section 7 below, and must be approved by MoME and the World Bank before subsequent tasks may proceed.

3.1 Task 1: Inception and Preparation

The Consultant shall begin by establishing the methodological and operational foundations for the RAP.

- Review all available project documentation including the Scoping Report, preliminary pipeline alignment data, the Spatial Plan for the Orljane–Niš–Batajnica–Horgoš–Hungarian Border Main Gas Pipeline, and any existing cadastral, land use, and socio-economic data for the corridor municipalities.
- Review the programme-level RPF (to be provided by MoME upon finalisation) and confirm that the RAP approach and entitlement framework are consistent with its provisions.
- Obtain updated cadastral parcel data from the Republic Geodetic Authority (RGA) for the full 62 km corridor, covering the construction ROW width (minimum

50 m either side of the centreline) plus the operational easement zones (10 m, 60 m, and 200 m as applicable).

- Confirm the pipeline alignment with Government designated expropriation beneficiary / asset owner and the ESIA team; note that the alignment is preliminary and may be subject to minor adjustments during detailed design. The RAP approach must accommodate alignment revisions, including a procedure for updating the census and entitlements if the alignment changes after the cut-off date is established.
- Prepare an Inception Report setting out the methodology, work plan, stakeholder engagement approach, census and survey instruments, and proposed cut-off date for community agreement with MoME and the World Bank.
- Establish and communicate the cut-off date to all affected communities through public announcement in Serbian, in-person community meetings in each affected municipality, and written notification to all affected landowners and users identified through the cadastral review. The cut-off date is the date on which the census commences. Any persons who occupy or begin to use land in the corridor after this date are not eligible for compensation.

3.2 Task 2: Census and Asset Inventory

The Consultant shall conduct a comprehensive census of all affected persons and an inventory of all affected assets within the corridor. The census is the foundation of the RAP and must be conducted rigorously, with no affected persons excluded on the basis of lack of formal documentation.

3.2.1 Cadastral and Land Tenure Review

- Map all land parcels within the construction ROW and operational easement zones using updated RGA cadastral data, georeferenced against the current pipeline alignment.
- Identify the registered owner and/or rights holder for each affected parcel. Note any parcels with contested ownership, pending inheritance proceedings, or other encumbrances.
- Identify state-owned, municipal, and other public land parcels within the corridor and the relevant authority responsible for each.
- Identify parcels where the cadastral record does not reflect current use (e.g. registered as agricultural land but in non-agricultural use, or registered to deceased owners without succession completed).

3.2.2 Field Census of Affected Persons

- Conduct a household-level census of all persons using land within the corridor, going beyond the cadastral record to identify all actual users including informal occupants, sharecroppers, seasonal users, and those farming under oral or informal arrangements.
- For each affected household, record: full name and contact details of the primary rights holder and all household members; cadastral parcel identifier(s); nature of land rights (registered owner, informal occupant, sharecropper, seasonal user, other); current land use (crop type, area under cultivation,

irrigation infrastructure used); and whether the household is the primary or sole user of the affected parcel(s).

- Photograph and GPS-locate all affected assets including standing crops, field boundary markers, irrigation channels, drainage features, field access tracks, and any structures within the ROW.
- Record all tree crops, perennial crops, and any agroforestry elements within the ROW that will be affected by clearance.
- Record any community assets (pathways, water points, field shelters, wayside monuments) within the ROW.
- Identify all informal users and document the basis of their use. Confirm that all informal users are included in the RAP entitlement framework in accordance with ESS5, regardless of the absence of formal documentation.

3.2.3 Socio-Economic Household Survey

- Administer a structured socio-economic survey to all affected households, covering: household composition (age, gender, education, employment, disability or health status); income sources and their relative contribution to total household income; proportion of household income derived from affected land parcel(s); livelihood strategies; access to off-farm income and social support; land tenure security; and perception of project impacts.
- The survey instrument shall be developed in consultation with MoME, the PIU, and the World Bank, and shall be administered in Serbian by locally recruited enumerators.
- For each affected household, calculate the proportion of agricultural income at risk from construction ROW restrictions and from permanent operational easement restrictions, to inform the significance assessment for livelihood restoration purposes.
- Disaggregate survey data by gender, age, and vulnerability status to enable targeted support for vulnerable groups.

3.3 Task 3: Vulnerability Assessment

The Consultant shall identify and characterise vulnerable individuals and households among the affected population. Building on the socio-economic survey, the vulnerability assessment shall:

- Apply vulnerability criteria drawn from the programme RPF and consistent with ESS5, including: households below the national poverty line; elderly persons (aged 65 and above) with limited income diversification; households with disabled or chronically ill members; female-headed households; households where income from affected parcels constitutes more than 50% of total household income; informal land users without formal title; Roma households and other minority ethnic groups facing structural disadvantages in access to administrative processes and compensation; and persons with low literacy or without access to written information.
- For each identified vulnerable household, prepare a vulnerability profile noting the specific disadvantages faced, their implications for RAP implementation (e.g.

inability to navigate formal compensation procedures, risk of exclusion from consultation processes), and the additional assistance measures required.

- Document the size and characteristics of each vulnerability category across the affected population and use this data to design the specific provisions for vulnerable persons in the entitlement matrix and livelihood restoration strategy.
- Assess the specific situation of any Roma households in the corridor, including informal tenure status, access to identity documents, and familiarity with formal administrative processes, and develop dedicated engagement and support measures.

3.4 Task 4: Valuation of Affected Assets

The Consultant shall undertake a full valuation of all affected assets at replacement cost in accordance with ESS5. The valuation shall be conducted by a qualified valuer with experience in rural agricultural land in Serbia and familiarity with the ESS5 replacement cost standard.

3.4.1 Land Valuation

- Obtain Serbian statutory valuations for all affected parcels from the RGA, based on the applicable cadastral category and the Rulebook on Determining the Value of Immovable Property.
- Assess whether the RGA statutory valuation equals replacement cost for each land category and parcel type. Replacement cost for agricultural land is the market value at which equivalent land of equivalent quality and productive capacity can be purchased in the same or a comparable location, including transaction costs.
- Where the RGA statutory valuation falls below replacement cost, calculate the supplementary compensation required to meet the ESS5 standard and present this as a project top-up to be funded from project funds. Document the methodology transparently in the RAP.
- For operational easement restrictions (incomplete expropriation), assess the income impact of each restriction category (10 m, 60 m, 200 m) on the affected parcels and calculate an income-equivalent compensation payment that represents the capitalised present value of the future income restriction, in addition to any statutory easement compensation.

3.4.2 Crop and Standing Asset Valuation

- Value all standing crops within the construction ROW at market price as of the date of clearance, based on current market prices for the relevant crop in the affected municipalities. The valuation must be verified against at least two independent market sources (local agricultural market prices, chamber of agriculture data).
- Value all perennial crops, tree crops, and agroforestry assets at replacement cost, including the time value of the period before a replacement crop reaches productive maturity (income replacement for transition period).
- Value all field infrastructure (irrigation channels, drainage features, access tracks) at replacement cost, meaning the cost of constructing equivalent

infrastructure of equivalent function at current prices without deduction for depreciation.

- Value any structures within the ROW at replacement cost.

3.4.3 Construction Period Crop Loss

- Calculate the number of growing seasons that will be lost on each affected parcel during the construction period, taking account of the construction schedule and the main cereal growing season (April–September). Where construction is planned during the growing season, compensation must cover the full loss of that season's yield.
- Calculate compensation for crop loss during the construction period as the market value of the projected yield from each affected parcel, based on typical yields for the relevant crop in the corridor municipalities, for each growing season affected.
- Present crop loss compensation as a separate line item in the entitlement matrix, distinct from land valuation, to ensure transparency.

3.5 Task 5: Entitlement Framework

The Consultant shall develop a comprehensive entitlement matrix covering all categories of affected persons and assets identified in the census. The entitlement matrix must be consistent with the programme RPF and must meet the ESS5 standard in all respects.

Category of Affected Person	Nature of Impact	Entitlement	Additional Provisions
Registered landowner – full expropriation	Permanent loss of land ownership within ROW	Replacement cost compensation for land; replacement cost for structures and assets; moving assistance if applicable; transition allowance	Statutory compensation topped up to replacement cost where required; right to negotiate; court recourse if not agreed
Registered landowner – easement / incomplete expropriation	Permanent restriction on land use within easement corridors; temporary restriction during construction	Statutory easement compensation plus income replacement supplement to cover full income loss from restriction; crop loss compensation for construction period; land reinstatement	Income supplement calculated as capitalised present value of income restriction for each easement corridor category; paid before restriction takes effect

Informal user / occupant without formal title	Temporary or permanent loss of access to land used for agriculture or other productive purposes	Equivalent entitlements to registered owners for income and crop losses; livelihood restoration assistance; additional support measures for vulnerability	Must be identified through active CLO outreach; cannot be excluded from compensation on basis of lack of title documentation
Sharecropper / tenant with formal or informal agreement	Loss of access to land used under tenancy or sharing arrangement	Crop loss compensation for construction period; livelihood assistance for transition period; assistance finding replacement land where feasible	Compensation split between landowner and user to be negotiated, with the Consultant facilitating; user must not be left without compensation
Community / state land user	Loss of community grazing, forestry, or other common resource within ROW	Replacement of community resource or equivalent cash compensation; community consultation on preferred form of assistance	Relevant community group or local authority to be consulted on preferred form of assistance
Vulnerable household (any category above)	All of the above, plus heightened risk of adverse impact due to vulnerability	All entitlements as above plus: priority scheduling of consultation and payment; additional livelihood support; transition allowance; CLO support through process	Vulnerability-specific measures to be tailored to individual household circumstances; monitored separately

The entitlement matrix in the RAP must be more detailed than the summary table above, specifying the exact calculation methodology, payment timing, and responsible institution for each entitlement category. It must also address the situation of persons who are affected by multiple impact types (e.g. both temporary construction loss and permanent easement restriction on the same parcel).

3.6 Task 6: Livelihood Restoration Strategy

The Consultant shall develop a livelihood restoration strategy for economically displaced persons whose income is significantly affected by the project. Livelihood restoration is required under ESS5 regardless of the absence of physical relocation, and must be designed to restore affected persons to at least their pre-project standard of living within a defined timeframe.

- Define the threshold above which a household is considered ‘significantly economically displaced’ for the purposes of the livelihood restoration strategy, in consultation with MoME and the World Bank. A suggested threshold is households where income from affected parcels constitutes 10% or more of total household income; this should be confirmed against survey data.
- For each significantly affected household, prepare a livelihood restoration plan addressing: the specific income loss; the restoration pathway proposed (e.g. alternative land provision, cash compensation enabling purchase of replacement land, agricultural support for yield improvement on remaining land, support for income diversification, vocational training); the timeframe for restoration; and the monitoring indicators to confirm restoration.
- Identify and assess the feasibility of providing replacement land of equivalent area and quality to landowners who lose significant portions of their productive land within the construction ROW, as a preference over cash compensation where feasible.
- Design agricultural recovery support for households where construction has disrupted soil quality, drainage, or irrigation, including provision of inputs (seeds, fertiliser) for the first post-construction growing season and agronomic advice.
- Include specific livelihood restoration provisions for vulnerable households, particularly elderly landowners with no alternative income sources, female-headed households, and Roma households.
- Design the monitoring framework for livelihood restoration outcomes, including the frequency of monitoring, indicators to be tracked, and the timeline after which it can be concluded that restoration has been achieved or remedial action is required.

3.8 Task 7: Consultation and Participation

Meaningful consultation with affected persons and communities throughout RAP preparation and implementation is a core ESS10 and ESS5 requirement. The Consultant shall:

- Coordinate with the ESIA Consultant (if separate) and the SEP to ensure that RAP consultations are integrated into the overall stakeholder engagement programme and that there is no duplication or inconsistency in community communications.
- Conduct public meetings in each affected municipality (Niš, Aleksinac, Ćićevac, and the Pojate area) to present the project, the land acquisition process, affected persons’ entitlements, the compensation payment procedures, and the GRM. Meetings must be conducted in Serbian and must be accessible to all affected persons, including those without transport or with mobility limitations.
- Hold individual consultations with each identified affected household to present the specific census findings, proposed entitlements, and compensation

calculation for their parcel(s), and to record their response, concerns, and preferences.
- Ensure that consultation processes are accessible to all vulnerable groups: in-person visits for elderly and mobility-impaired persons; oral explanation and visual materials for persons with low literacy; dedicated meetings or sessions for women and female-headed households; specific outreach for Roma households.
- Document all consultation activities: dates, locations, attendance (including gender breakdown), issues raised, responses provided, and follow-up actions taken. Consultation records must be maintained in a format that can be submitted to the World Bank as part of RAP monitoring reports.
- Ensure that the GRM (described in Section 3.9 below) is presented to all affected persons at every consultation event and that CLO contact details are provided in writing.

3.9 Task 8: Grievance Redress Mechanism

A project-level GRM must be designed and operationalised before any land access or construction activities commence. The GRM for the RAP must be integrated with the broader project GRM established under the SEP and must include the following elements:

- Accessible reporting channels including: in-person submission to the PIU or CLO; written submission by post; telephone hotline (free of charge to callers); and online submission form (recognising that not all affected persons will have internet access, online submission must supplement rather than replace other channels).
- A clear and communicated response timeline: acknowledgement of receipt within 5 working days; initial response within 15 working days; resolution or referral to higher level within 30 working days for complex cases.
- First-level resolution by CLOs in the field; second-level resolution by the PIU Social Manager; third-level resolution by MoME with World Bank notification for unresolved issues; fourth-level recourse to the World Bank Accountability Mechanism and/or Serbian courts as independent external recourse.
- SEA/SH-sensitive features: a confidential reporting channel (dedicated phone number or email address not managed by contractor staff) accessible to women and girls; referral pathways to local support services; trained female CLO available in each municipality.
- A maintained grievance register recording all grievances received, the category of grievance, the identity of the complainant (subject to confidentiality preferences), the response provided, the resolution achieved, and the date of closure.
- An appeals mechanism for complainants who are not satisfied with the first-instance resolution, including the right to request review by MoME and ultimately by the World Bank.
- Quarterly reporting of GRM performance (number of grievances received, response times, resolution rates, pending cases) to the World Bank as part of RAP monitoring reports.

- The GRM must be presented to all affected persons in plain language in Serbian, with written materials provided to each household. CLO contact details must be posted at local municipality offices in each affected municipality.

3.10 Task 10: Implementation Planning and Budget

The Consultant shall prepare a detailed RAP implementation plan and budget covering all activities from cut-off date through to completion of livelihood restoration monitoring.

- Prepare a phased implementation schedule that: sequences RAP implementation with the construction programme (compensation must be paid before works affect each parcel); accommodates the agricultural growing season (avoidance of crop loss during the main season where feasible, full compensation where unavoidable); and aligns with the Spatial Plan approval timeline.
- Prepare a comprehensive RAP budget covering: all compensation payments (land, crops, structures, assets, income restoration supplements); livelihood restoration measures; administrative costs (CLO salaries, community meeting costs, translation); monitoring and evaluation; and contingency (minimum 10% of total compensation budget).
- Identify institutional responsibilities for each RAP implementation activity: PIU (overall responsibility); MoME (legal authority for expropriation); RGA (cadastral and valuation); contractor (land access procedures, reinstatement); CLOs (community liaison, vulnerability support, GRM); and independent monitor (if required by World Bank).
- Define a condition precedent to construction commencement on each parcel: compensation in full for all affected persons on that parcel must be paid and acknowledged in writing before physical works commence. No parcel may be accessed for construction before this condition is satisfied.
- Define the reinstatement standard for all agricultural land: land must be returned to pre-construction condition including topsoil reinstatement, drainage restoration, and access track reinstatement, within a defined timeframe after construction is complete. Penalties for non-compliance must be included in construction contracts.

3.11 Task 11: RAP Monitoring and Evaluation

The Consultant shall design a monitoring and evaluation (M&E) framework for RAP implementation and conduct baseline monitoring. Ongoing monitoring during RAP implementation will be the responsibility of the PIU Social Manager with CLO support, supervised by the ESIA Consultant or an independent RAP monitor as required by the World Bank.

- Define process monitoring indicators: number of affected persons identified; number of consultations held; number of compensation agreements signed; proportion of compensation payments made before land access; number of GRM cases received, resolved, and pending; number of vulnerable households receiving additional support.

- Define outcome monitoring indicators: proportion of affected households with livelihoods restored to pre-project levels (assessed by comparison with baseline socio-economic survey); income levels of significantly displaced households compared to baseline; agricultural land productivity on reinstated parcels compared to adjacent unaffected land; proportion of affected persons satisfied with compensation and process (exit survey).
- Conduct a baseline survey of livelihood indicators for all affected households before construction commences, to provide the reference point against which restoration will be assessed.
- Prepare semi-annual RAP monitoring reports for submission to MoME and the World Bank during the construction period. Each report must include: progress against implementation schedule; compensation payment status (parcel by parcel); GRM performance; livelihood restoration progress; issues identified and corrective actions taken.
- Conduct a RAP completion audit (to be commissioned by MoME/PIU, with World Bank approval of the Terms of Reference) upon completion of all compensation payments and livelihood restoration measures, confirming that all ESS5 commitments have been met and that no affected persons remain uncompensated or with livelihoods below pre-project levels.

4. Required RAP Document Structure

The Phase I RAP shall be structured as follows. The Consultant may propose minor modifications to this structure in the Inception Report subject to MoME and World Bank approval.

#	Section	Key Content
1	**Executive Summary**	Project overview; key findings; total affected persons; total compensation; implementation schedule; key risks
2	**Introduction and Background**	Project description; legal basis; RPF linkage; RAP objectives; area of influence
3	**Policy and Legal Framework**	ESS5 requirements; Serbian law; gap analysis; bridging mechanisms
4	**Socio-Economic Baseline**	Demographics; livelihoods; land use; income sources; vulnerability profile of affected population
5	**Census and Asset Inventory**	Methodology; cut-off date; number of affected parcels; number of affected persons; asset inventory summary; informal users identified
6	**Impacts and Eligibility**	Types of impact by category; eligibility criteria; entitlement matrix (detailed); treatment of informal users; vulnerable households
7	**Valuation and Compensation**	Valuation methodology; statutory vs replacement cost analysis; supplementary top-

		up mechanism; unit rates; total compensation budget by category
8	**Livelihood Restoration Strategy**	Significantly displaced households; restoration pathways; agricultural recovery measures; income diversification support; vulnerable household provisions
9	**Legacy Due Diligence**	Review of 1995–2003 pipeline; findings; remediation action plan (if required)
10	**Stakeholder Engagement and Consultation**	Consultation activities conducted during RAP preparation; issues raised; responses; feedback integration
11	**Grievance Redress Mechanism**	GRM design; channels; response timelines; escalation procedures; SEA/SH features; reporting
12	**Implementation Schedule**	Phased schedule; condition precedent to construction; growing season interface; Spatial Plan sequencing
13	**Institutional Arrangements**	PIU; MoME; RGA; CLOs; contractor; independent monitor roles and responsibilities; reporting lines
14	**Budget**	Total RAP budget by category; source of funding; contingency provisions; budget management arrangements
15	**Monitoring and Evaluation**	M&E framework; process and outcome indicators; baseline; reporting schedule; completion audit
Annexes	**Annexes**	Census forms; survey instruments; valuation reports; parcel-level data (confidential annex); consultation records; GRM register template; cut-off date notification

5. Qualifications and Team Composition

The RAP must be prepared by a qualified team with demonstrable experience in resettlement and livelihood restoration for World Bank-financed infrastructure projects. The minimum team composition is as follows.

Role	Minimum Qualification	Key Experience Required
Team Leader / Senior Social Specialist	Masters degree in social sciences, development studies, or related field; minimum 10 years experience	Minimum 3 RAPs prepared for World Bank or IFC-financed projects; experience with ESS5 or OP 4.12; experience in Central or Eastern Europe preferred; fluent English required

National Social Specialist / RAP Coordinator	University degree; minimum 7 years experience	Experience in land acquisition in Serbia including familiarity with Serbian expropriation law and RGA cadastral system; fluent Serbian required; English working level
Land Valuation Expert	Certified valuer with Serbian professional accreditation; minimum 5 years experience	Experience valuing agricultural land in Serbia; familiarity with RGA valuation methodology; understanding of replacement cost standard for ESS5 purposes
Socio-economic Survey Specialist	University degree; minimum 5 years experience	Experience designing and administering household socio-economic surveys in rural Serbia; experience with vulnerable group identification and disaggregated data analysis
Community Liaison Officers (minimum 2)	Secondary education; locally recruited	Native Serbian speakers; local to the corridor municipalities; experience in community engagement; at least one female CLO required per municipality to enable gender-sensitive engagement
GIS/Cadastral Specialist	University degree; minimum 3 years experience	Proficiency in GIS and cadastral data management; experience with RGA data systems; ability to produce spatial parcel-level RAP maps

6. Key Principles and Requirements

The following principles are non-negotiable requirements of the RAP and must be applied throughout preparation and implementation.

6.1 No Construction Before Compensation

Compensation in full, at replacement cost, must be paid to all affected persons on each parcel before physical works commence on that parcel. This applies to both construction ROW clearance and to any preliminary survey or investigation works that require access to private land. This condition must be incorporated as a formal condition precedent in all construction contracts, and the PIU must maintain a parcel-by-parcel record confirming payment before land access is authorised.

6.2 Inclusion of Informal Users

All persons using land in the corridor, regardless of formal legal title, must be identified and included in the compensation and livelihood restoration framework. The absence of formal title documentation is not grounds for exclusion from ESS5 entitlements. The RAP must describe the specific measures taken to identify informal users (CLO field visits, community meetings, cadastral cross-checking) and must provide a complete record of informal users identified and their entitlements.

6.3 Replacement Cost Standard

All compensation must be calculated at replacement cost without deduction for depreciation, transaction costs, or residual value. Where the Serbian statutory valuation methodology produces a result below replacement cost, the project must provide a supplementary top-up payment. The methodology for calculating the top-up must be transparent, documented in the RAP, and approved by the World Bank before compensation payments commence.

6.4 Vulnerable Group Provisions

Vulnerable households must be identified before compensation payments begin and must receive additional assistance appropriate to their specific circumstances. The RAP must track vulnerable households separately throughout implementation and monitoring to ensure that they are not disproportionately disadvantaged by the process. At minimum, vulnerable households should receive: priority scheduling of consultation and payment; dedicated CLO support; additional transition allowance; and prioritised inclusion in any livelihood restoration programmes.

6.5 Seasonal Timing

The construction programme should, where feasible, be sequenced to minimise overlap with the main cereal growing season (April–September). Where construction during the growing season is unavoidable, full compensation for crop losses must be paid before clearance. The RAP must present a parcel-by-parcel schedule of expected construction timing and associated crop loss compensation obligations.

6.6 Legacy Remediation

Any legacy issues identified within the relevant Project footprint shall be reviewed as part of RAP preparation and addressed through case-specific risk-management, documentation, engagement, grievance referral or corrective measures, as appropriate. The existence of broader legacy issues from past projects shall not in itself constitute a condition precedent to Project financing or construction, unless a specific unresolved issue directly affects legal access to, or compensation for, a parcel required for the current Project.

6.7 Disclosure

The draft RAP must be disclosed in Serbian and English on the MoME website and at each affected municipality office, with a consultation period of at least 30 days, before it is finalised. Following completion of the consultation period and revision, the final RAP must be re-disclosed before implementation begins. The World Bank will also disclose the final RAP on its project portal.

7. Deliverables and Timeline

#	Deliverable	Timing	Approval Authority
D1	**Inception Report**	Within 4 weeks of contract commencement	MoME / PIU / World Bank no-objection
D2	**Cut-off Date Announcement and Community Notification Records**	Within 6 weeks of contract commencement;	MoME / PIU; World Bank notification

		before census commences	
D3	**Census and Asset Inventory Report**	Within 16 weeks of contract commencement	MoME / PIU / World Bank review
D4	**Socio-economic Baseline Survey Report and Vulnerability Assessment**	Within 16 weeks of contract commencement (may be concurrent with D3)	MoME / PIU / World Bank review
D5	**Valuation Report**	Within 20 weeks of contract commencement	MoME / PIU / World Bank no-objection
D6	**Legacy Due Diligence Note and Case-Specific Corrective / Risk-Management Measures, where required**	Within 20 weeks of contract commencement	MoME / PIU / World Bank no-objection
D7	**Draft RAP (full document for consultation and World Bank review)**	Within 28 weeks of contract commencement	MoME / PIU and World Bank no-objection; public consultation of 30 days minimum
D8	**Final RAP (incorporating all consultation responses and World Bank comments)**	Within 36 weeks of contract commencement	World Bank no-objection required before implementation
D9	**RAP Implementation Progress Reports (semi-annual during construction)**	Every 6 months from construction commencement until completion	MoME / PIU; submitted to World Bank
D10	**RAP Completion Audit**	Within 12 months of completion of all compensation payments and livelihood restoration measures	Independent auditor; submitted to World Bank

All deliverables must be submitted in English and Serbian. Data annexes must be submitted in Microsoft Excel format. GIS data must be submitted as ESRI shapefiles or GeoJSON. All deliverables must be provided in both hard copy and editable digital format.

8. Coordination Requirements

The RAP Consultant must coordinate closely with the following parties throughout the assignment.

- ESIA Consultant: the RAP must be fully integrated with the ESIA. The socio-economic baseline, census area of influence, and impact assessment must be consistent between the ESIA and the RAP. The RAP Consultant must participate in joint ESIA/RAP consultation events wherever practicable and must share census and baseline data with the ESIA team.

- PIU Social Manager: the primary day-to-day client contact for the RAP Consultant. The PIU Social Manager is responsible for coordinating with MoME, RGA, and local municipalities, and for ensuring that the RAP implementation is integrated into the overall project management framework.
- Republic Geodetic Authority (RGA): the RAP Consultant must liaise with the RGA to obtain current cadastral data, confirm registered owners, and support the statutory valuation process. Early engagement with the RGA is recommended to avoid delays in cadastral data access.
- Local Municipalities (Niš, Aleksinac, Ćićevac, Pojate area): municipalities hold local land records, are responsible for local permitting, and are key interlocutors for community consultations. The RAP Consultant must present findings to each municipality and seek their collaboration in reaching affected community members.
- Government designated expropriation beneficiary / asset owner: the RAP Consultant requires access to technical alignment data and, for the legacy due diligence, to records of the 1995–2003 pipeline construction. Government designated expropriation beneficiary / asset owner should also be engaged to confirm the status of any existing easements.
- World Bank: the World Bank task team must review and provide no-objection to key deliverables (D1, D5, D7, D8, D10) and will conduct periodic supervision missions during RAP preparation and implementation. The RAP Consultant must support World Bank supervision missions and respond to World Bank comments within the timeframes specified in the contract.

9. Reporting Arrangements

The RAP Consultant shall report to the PIU Social Manager as the primary client contact. The PIU Social Manager reports to MoME as the Borrower and will coordinate World Bank reporting. Specific reporting requirements are as follows.

- Weekly progress updates (by email) to the PIU Social Manager during the census and survey fieldwork phases.
- Monthly written progress reports to the PIU covering activities completed, issues arising, and forward plan for the following month.
- Participation in joint progress meetings with MoME, PIU, and the World Bank task team (frequency to be agreed at inception; minimum quarterly during RAP preparation).
- Immediate written notification to the PIU and World Bank of any significant issues arising during fieldwork including: discovery of previously unidentified affected persons; significant land tenure disputes; evidence of legacy unresolved claims; or community opposition to the RAP process.
- Semi-annual implementation reports (D9) as described in Section 7.

10. ESS Compliance Reference

The RAP must confirm compliance with each applicable ESS5 provision. The table below provides a summary compliance reference for key ESS5 requirements and the corresponding RAP task.

ESS5 Requirement	RAP Task(s)	Key Output
Avoid or minimise involuntary resettlement	Task 1	Route optimisation confirmed in Inception Report; ESIA constraints mapping
Census of affected persons including informal users	Task 2	Census Report (D3); all informal users included
Cut-off date established and communicated	Task 1	Cut-off date notification records (D2)
Compensation at replacement cost	Task 4	Valuation Report (D5); statutory vs replacement cost analysis; top-up mechanism
Livelihood restoration for economically displaced persons	Task 6	Livelihood restoration strategy in RAP Section 8; monitoring indicators
Vulnerability assessment and additional assistance	Task 3	Vulnerability assessment (D4); entitlement matrix; additional assistance provisions
Compensation paid before displacement	Task 10	Implementation schedule with condition precedent; parcel-by-parcel payment tracking
Meaningful consultation with affected persons	Task 8	Consultation records; feedback integration; GRM operational
GRM accessible and operational before land access	Task 9	GRM design; CLO contact details; SEA/SH features; grievance register
Legacy due diligence on related prior projects	Task 7	Legacy due diligence note (D6); remediation action plan if required
RAP disclosed and consulted before implementation	Tasks 8, 10	Draft RAP public consultation (minimum 30 days); final RAP re-disclosed
Monitoring and evaluation of restoration outcomes	Task 11	M&E framework; semi-annual reports (D9); completion audit (D10)