

KOSOVO

FERIZAJ WASTEWATER INFRASTRUCTURE
KOSOVO



Land Acquisition and Livelihood Restoration Framework (LALRF)

October 2023

LIST OF ACRONYMS AND ABBREVIATIONS

EBRD	European Bank for Reconstruction and Development
E&S	Environmental and Social
ESP	Environmental and Social Policy
LALRF	Land Acquisition and Livelihood Restoration Framework
LALRP	Land Acquisition and Livelihood Restoration Plan
PIU	Project Implementation Unit
PR	(EBRD's) Performance Requirements
RWCB	Regional Water Company Bifurkacioni
SEP	Stakeholder Engagement Plan
WWTP	Wastewater Treatment Plant

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LIST OF DEFINITIONS FOR TERMS USED IN THIS DOCUMENT

CENSUS AND SOCIO-ECONOMIC SURVEY	<p>The census is a process for compiling a 100% sample of individuals, households, and businesses (formal or informal) which will be physically and/or economically displaced by a project.</p> <p>The socio-economic survey is used to determine and analyse the socio-economic conditions of individuals, households, and businesses (formal or informal) which will be physically and economically displaced by a project (<i>see definition of physical and economic displacement below</i>).</p>
CUT-OFF DATE	The date after which anyone who moves into the project area is no longer entitled to compensation and/or assistance.
EBRD ESP 2019: PR5	Performance Requirement (PR) 5 addresses impacts of project-related land acquisition, including restrictions on land use and access to assets and natural resources, which may cause physical displacement (relocation, loss of land or shelter), and/ or economic displacement (loss of land, assets or restrictions on land use, assets and natural resources leading to loss of income sources or other means of livelihood).
ECONOMIC DISPLACEMENT	Loss of assets (including land) or access to assets that leads to loss of income or means of livelihood as a result of the project. People or enterprises may be economically displaced with or without experiencing physical displacement.
ENTITLEMENT	Compensation and assistance which affected people have the right to receive during resettlement (<i>see definition of resettlement below</i>). Entitlements are defined for each individual project and are listed in the form of an Entitlements Matrix, i.e., a table provided in LALRF/LALRPs and containing information on who is entitled to what type of compensation and/or assistance.
LIVELIHOOD RESTORATION	Measures implemented to mitigate the effects of economic displacement – that is, to improve or, at a minimum, restore livelihoods and standards of living of affected people to pre-displacement levels.
MARKET VALUE	Value calculated based on prices of property in the area in which the particular property is acquired, which can be achieved for a particular property on the market, depending on supply and demand at that moment of setting the price.
MOVING ALLOWANCE	Cash compensation for costs directly associated to moving/relocation of a household or business.
PHYSICAL DISPLACEMENT	Loss of house/apartment, dwelling or shelter as a result of project-related land acquisition which requires the affected person to move to another location.
PROJECT AFFECTED PEOPLE (PAP)	Any person who, as a result of the land acquisition required by the project, loses the right to own, use, or otherwise benefit from a built structure, land, annual or perennial crops and trees, or any other fixed or moveable asset, either in full or in part, permanently or temporarily.
REPLACEMENT COST	“Replacement cost” 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 such markets do not exist, replacement cost may be determined through alternative means, such as calculation of the undepreciated value of replacement material and labour for construction of structures or other fixed assets, plus transaction costs. In all instances where physical displacement results in loss of shelter, replacement cost must at least be sufficient to enable purchase or construction of housing that meets acceptable minimum community standards of quality and safety.

LAND ACQUISITION/ LIVELIHOOD RESTORATION FRAMEWORK (LALRF)	A document developed when the exact nature or magnitude of the land acquisition or restrictions on land use related to a project with potential to cause physical and/or economic displacement is unknown due to the project development stage. The purpose of a framework is to describe the likely impacts associated with land acquisition and outline the principles which will be followed to address these. Once the individual project components are defined and the required information becomes available, the framework serves as a basis for the development of a detailed plan (<i>see item Land Acquisition and Livelihood Restoration Plan below</i>).
LAND ACQUISITION AND LIVELIHOOD RESTORATION PLAN (LALRP)	The document in which a client specifies the procedures it will follow and the actions it will take to mitigate adverse effects, compensate losses and provide development benefits to persons and communities affected by an investment project. The purpose of the plan is to present to all interested parties, including affected people, who exactly will be affected by land acquisition, how acquisition will be implemented and by whom, as well as the time frame and resources
RESETTLEMENT	Physical displacement (relocation or loss of shelter) and economic displacement (loss of assets or resources, and/or loss of access to assets or resources that leads to loss of income sources or means of livelihood) as a result of project-related land acquisition and/or restrictions on land use.
STAKEHOLDERS	Any and all individuals, groups, organisations, and institutions interested in and potentially affected by a project or having the ability to influence a project.
VULNERABLE GROUPS	People or groups of people who may be more adversely affected by project impacts than others by virtue of characteristics such as their gender, gender identity, sexual orientation, religion, ethnicity, indigenous status, age (including children, youths and the elderly), physical or mental disability, literacy, political views, or social status. Vulnerable individuals and/or groups may also include, but are not limited to, people in vulnerable situations, such as people living below the poverty line, the landless, single-headed households, natural resource dependent communities, migrant workers, refugees, internally displaced people, or other displaced persons who may not be protected through national legislation and/or public international law.

1 INTRODUCTION

1.1 Brief Project Description

The European Bank for Reconstruction and Development (EBRD) is considering providing financing to the Government of Kosovo to finance modernisation and reconstruction of sewerage and wastewater treatment infrastructure in Ferizaj. The water and wastewater infrastructure in Ferizaj is operated and managed by the public entity Regional Water Company Bifurkacioni (RWCB), which provides its services within the administrative boundaries of three municipalities: Ferizaj, Kaçanik and Hani i Elezit.

However, there is no wastewater treatment plant (WWTP), and a significant part of the older sections of the wastewater network is in a state of disrepair, often experiencing pipe blockages due to sediment accumulation. The deficiencies in the existing wastewater networks and the lack of wastewater treatment services have resulted in surface and groundwater pollution. Therefore, there is an urgent need for the modernisation and improvement of the wastewater infrastructure which would improve the quality of wastewater services, as well as surface and groundwater quality.

The Project is categorised “B”¹ in accordance with EBRD’s Environmental and Social Policy 2019 (“ESP”)².

The Project will be managed by a Project Implementation Unit (PIU) to consist of representatives of RWCB and central government (relevant ministries).

In 2014, as a contribution to Kosovo’s pre-accession process, the EU funded a Feasibility Study to assess the wastewater treatment requirements for Ferizaj. In 2023, EBRD launched a Feasibility Study “refresh” by independent consultants, along with an Environmental and Social (E&S) assessment of the Project.

Based on the updated Feasibility Study, the Project will cover:

1. the **construction of a WWTP** (capacity of 90,000 Population Equivalent) to serve the urban centre of Ferizaj and associated villages, as well as three villages in the adjacent municipality of Kaçanik (Koxhaj, Elezaj, Bajnica) and **construction of an access road to the WWTP** (routing yet to be defined),
2. the **extension of the existing main collector** from the current location near Gërlice village to the proposed WWTP site (around 3 km), and
3. the **construction of a small part of the new wastewater network** required to connect the main collector with the villages of Varosh, Gracke, Rakaj, Gerlice and Doganaj (less than 2 km in total), as well as three villages of Kaçanik municipality (Koxhaj, Elezaj, Bajnica) (length unknown at this moment).

The **Project benefits** include:

- The Project would collect and treat sewage from approx. 75% of the population in Ferizaj Municipality.
- All sewer discharges in the catchment area would be intercepted and removed from the Nerodime river, immediately upstream of the adjacent Kaçanik Municipality.
- This will have a significant improvement in the Nerodime River water quality which is transboundary with North Macedonia as well as Greece, hence contributing to the EU’s Water Framework Directive. The WWTP would treat approx. 5,000 kg/day of organic wastes.
- The collector system includes capacity for future expansion and includes flows from three villages in Kaçanik municipality.
- The Project is in line with the wastewater development plans of the municipality.

¹ A project is categorised “B” when its potential environmental and/or social impacts are typically site-specific, and/or readily identified and addressed through effective mitigation measures.

² EBRD’s ESP is available at: <https://www.ebrd.com/news/publications/policies/environmental-and-social-policy-esp.html>

The proposed location for the WWTP is planned to be situated on flat agricultural land, located in Kaçanik Municipality, to the south of the Gërlice village. The 8.1-hectare site is currently classified as an agricultural land and privately owned. The first figure below shows a Google Earth view of the planned WWTP location, and the second figure shows a photograph of the site.



Figure 1-1: Google Earth view of the planned WWTP location



Figure 1-2: Photograph of planned WWTP location

1.2 About this Land Acquisition and Livelihood Restoration Framework

This Land Acquisition and Livelihood Restoration Framework (LALRF) has been developed as part of the E&S Assessment for the planned Project. It has been prepared to comply with Kosovar legislation and EBRD's Environmental and Social Policy (2019), more specifically Performance Requirement (PR) 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement. These requirements are described in more detail in Chapter 2 of this LALRF.

During the development of the Project, a preliminary analysis of Project impacts showed that the Project will lead to land acquisition, as elaborated in section 1.3 of this Chapter. However, the nature or magnitude of impacts associated with land acquisition is currently unknown due to the Project development stage, and a detailed census of affected people and assets cannot be conducted. Therefore, this LALRF has been developed at a very early stage of the Project to define the objectives, principles and approach to compensate for land acquisition and economic displacement arising from Project implementation and to ensure that livelihood restoration is carried out in line with EBRD PR5. No physical resettlement is anticipated, and it is not covered in this Framework.

The objectives of the LALRF are to:

- a) Set out a framework to minimise economic displacement and where displacement is unavoidable to improve, or at a minimum restore, the livelihoods and standards of living of displaced persons following project implementation to pre-project levels.
- b) Ensure that affected persons without title to land or any recognisable legal rights to land are eligible for compensation for loss of non-land assets and livelihood restoration. In accordance with EBRD's requirements, these persons may include owners or non-owners, and people using land without formal, or recognisable usage rights.
- c) Determine requirements for the disclosure of information, consultation, and the informed participation of affected persons. Special provisions that must be made for individuals belonging to vulnerable groups, to make sure that these persons are included in the process.
- d) Set out how monitoring and assessment of livelihood restoration outcomes, their impacts on the standards of living of displaced persons are carried out, and whether the objectives of the livelihood restoration plan have been achieved.
- e) Outline specific Grievance Redress Mechanism or Procedure that must be followed in order to receive and facilitate the resolution of affected person's concerns.
- f) Ensure that impacts on vulnerable groups are identified, assessed and addressed, and that specific consultations with vulnerable groups are planned and appropriate assistance measures are defined.

This LALRF is the basis for development of a detailed Land Acquisition and Livelihood Restoration Plan (LALRP) which will be developed once the exact nature and scope of land acquisition become known (i.e., upon the development of the Expropriation Study based on future design documentation). The LALRP will be developed on the basis of reliable and updated information and shall include basic information on the Project, impacts, affected persons and properties, as well as the rights of all categories of persons affected. The LALRP will also include detailed budgets and timeframes.

1.3 Preliminary Assessment of Land Acquisition Related Impacts

This section outlines the possible impacts associated with the land acquisition required for the construction of the WWTP and related infrastructural components.

1. **WWTP construction:** The core aspect of the Project involves the permanent acquisition of 33 privately owned land plots intended for the construction of the WWTP. The WWTP is intended to occupy 8.1 ha of flat land situated in the Kaqanik Municipality, to the south of the Gerlice village. These plots are currently categorised as agricultural land.

Kaqanik Municipality provided provisional data on the estimated scope of land acquisition, the type of land to be acquired and the number of land owners, based on cadastral information. However, precise information on the exact scope of land acquisition will be available only after the development of the expropriation study as required by the Kosovo Law on Expropriation of Immovable Property. No physical displacement is expected as there are no structures on the land to be acquired.

The figure below shows the land plots as defined in the Cadastral Plan delivered by the Kacanik Municipality Cadastral Office.

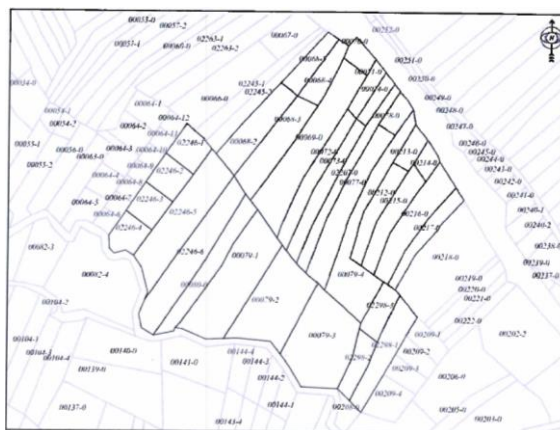


Figure 1-3: Excerpt from the Cadastral Plan

The table below shows summary of data currently entered in the mentioned Cadastral Plan (without confidential information).

No.	Cadastral no.	Size (m ²)	Number of owners	Type of land	Classification
1.	P-70917086-00068-2	2641	1	Agricultural	Meadow
2.	P-70917086-00068-3	3094	5	Agricultural	Meadow
3.	P-70917086-00068-4	1351	5	Agricultural	Pasture
4.	P-70917086-00068-5	1281	1	Agricultural	Pasture
5.	P-70917086-00069-0	5644	1	Agricultural	Meadow
6.	P-70917086-00070-0	685	1	Agricultural	Arable land
7.	P-70917086-00071-0	850	1	Agricultural	Arable land
8.	P-70917086-00072-0	2208	1	Agricultural	Meadow
9.	P-70917086-00073-0	2188	1	Agricultural	Meadow
10.	P-70917086-00074-0	745	1	Agricultural	Arable land
11.	P-70917086-02207-0	2250	1	Agricultural	Meadow and arable land
12.	P-70917086-00077-0	3662	1	Agricultural	Meadow
13.	P-70917086-00078-0	790	1	Agricultural	Meadow
14.	P-70917086-00079-1	5946	1	Agricultural	Meadow
15.	P-70917086-00079-2	5153	5	Agricultural	Meadow
16.	P-70917086-00079-3	5676	1	Agricultural	Meadow
17.	P-70917086-00079-4	4520	1	Agricultural	Meadow
18.	P-70917086-00080-0	2609	1	Agricultural	Meadow
19.	P-70917086-02246-1	1272	1	Agricultural	Meadow
20.	P-70917086-02246-2	1273	2	Agricultural	Meadow
21.	P-70917086-02246-3	1271	1	Agricultural	Meadow
22.	P-70917086-02246-4	1271	1	Agricultural	Meadow
23.	P-70917086-02246-5	5088	1	Agricultural	Meadow
24.	P-70917086-02246-6	4587	1	Agricultural	Meadow
25.	P-70917086-02298-1	2522	N/A	Agricultural	N/A
26.	P-70917086-02298-2	1264	1	Agricultural	Meadow
27.	P-70917086-02298-3	1263	1	Agricultural	Meadow
28.	P-70917086-00212-0	1833	1	Agricultural	Meadow
29.	P-70917086-00213-0	807	1	Agricultural	Meadow
30.	P-70917086-00214-0	598	1	Agricultural	Meadow
31.	P-70917086-00215-0	2071	1	Agricultural	Meadow
32.	P-70917086-00216-0	3127	1	Agricultural	Meadow
33.	P-70917086-00217-0	1534	1	Agricultural	Meadow
Total area		81074 m²			

Based on the documentation provided by the Cadastral Office of Municipality of Kaçanik, the Consultant noticed that out of the total number of landowners, 7 belong to the Serbian ethnic group, while the remaining owners are members of the national majority (Albanian).

During the site visits in July and August 2023, it was observed that the land has not been put to use, either for cultivation or any agricultural activities, either at present nor in the recent past. The land gives the impression of being neglected and unused over a prolonged period, despite its official classification as agricultural land. No seasonal users or informal users have been identified.

- 2. Extension of the existing main collector from the current location near Gërlice village to the proposed WWTP site (around 3 km):** It is not anticipated that land acquisition will be necessary for the expansion of the main collector due to its planned placement alongside the existing railway line.
- 3. Construction of a small part of the new wastewater network** required to connect the main collector with the villages of Varosh, Gracke, Rakaj, Gerlice and Doganaj, Koxhaj, Elezaj and Bajnica: The exact routing will be determined in future design stages but it is expected that the new pipelines will be placed along local roads so acquisition of private land will not be necessary.
- 4. Access road(s):** At present, it remains unclear if land acquisition will be needed for the construction of the access road to the WWTP site. This will be determined in future design stages.
- 5. Power supply:** Since there is no electricity supply at the WWTP site, the existing high-voltage power supply line which extends up to the train station in Gerlica will need to be extended to the

WWTP site (approx. 500 m) in cooperation with KESCO (Kosovo Electricity Supply Company). It is not yet known whether any private land will be affected by the power supply extension.

6. **Temporary occupation of land during construction** (for construction camps, material laydown areas, storage of topsoil and excavated materials, etc) may be needed as to be decided by the future contractor.

1.4 Status of Land Acquisition Activities

As mentioned above, the WWTP is intended to occupy approximately 8.1 hectares of flat land situated in the Kaqanik Municipality. This Municipality issued a Decision of Public Interest on June 30, 2016, marking the initial phase of the expropriation process. The Decision was publicised only through the website of the Kaqanik Municipality.

It should be noted that the central government (i.e., the Ministry of Environment, Spatial Planning and Infrastructure – Department of Expropriation) will act as the expropriation authority for this Project.

This land plot has also been incorporated into the Draft Municipal Development Plan of Kaqanik, which is anticipated to receive final approval by year-end. The process is nearing completion. The act of inclusion in the Municipal Spatial Plans promptly reclassifies the land from agricultural to urban (construction) land.

No other activities related to land acquisition have been undertaken to date. Consultations with affected land owners have not yet been carried out.

2 LEGAL REVIEW AND GAP ANALYSIS

The Project will meet the requirements of national legislation and EBRD policies, notably EBRD's Performance Requirement 5 on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement. Where disparities exist between national law and EBRD requirements, the PIU undertakes to follow EBRD requirements when these are more beneficial for the Project affected people.

2.1 Kosovo Regulatory Framework

Constitution of Republic of Kosovo

The Constitution prohibits arbitrary deprivation of property. The authorities may expropriate property only if such expropriation is authorised by law, is necessary or appropriate to the achievement of a public purpose or the promotion of public interest, and is followed by the provision of immediate and adequate compensation to the person(s) whose property is expropriated.

Law on Expropriation of Immovable Property

The procedure of land expropriation and resettlement in Kosovo is primarily regulated by the Law on Expropriation of Immovable Property No. 03/L-139 dated 23 April 2009 (as amended by Law No. 03/L-205 dated 17 November 2010). The Law outlines the procedure, including remedies to safeguard individuals from disproportionate interferences with the right to immovable property.

Compensation is regulated both by the mentioned Law and the *Administrative Instruction on Approval of Technical Valuation Methods and Criteria for Calculation of Compensation Amounts for Expropriated Immovable Property and Damages Relating to Expropriation*, No. 02/2015.

Only persons with recognisable rights and claims are entitled to compensation. Compensation is paid on the basis of the market value of the property, including its accessory parts and fruits, plus any demonstrable direct damages incurred due to expropriation. Compensation is paid in cash (through a bank transfer), whereas compensation in kind is provided exclusively in cases where the central government is the expropriating authority and achieving the relevant public objective necessitates the expropriation of over 20 land plots. In such cases, offered compensation can either be provision of replacement land with a value equivalent to the owed compensation or a combination of cash and replacement land (the collective worth of which equals the compensation owed).

No changes in the ownership or other rights of affected persons are implemented until the Final Decision on Expropriation becomes effective, and the compensation required by the Final Decision has been paid.

2.2 EBRD Requirements

The relevant requirements which need to be fulfilled by the Project are outlined in EBRD's Performance Requirement 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement. The EBRD PR5 states that 'involuntary resettlement refers both to physical displacement and to economic displacement which result from project-related land acquisition or restricted access to livelihoods and natural resources'.

Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition which results in displacement. Poorly managed involuntary resettlement can lead to long-term hardships, environmental damage, and adverse socio-economic effects in new areas of settlement. It can also expose the client to legal action, particularly in jurisdictions with limited legal remedies or protections for displaced individuals. Therefore, it is advisable to avoid or minimize involuntary resettlement. However, when it cannot be avoided, appropriate measures should be meticulously planned and executed. Negotiated settlements are strongly recommended as they help prevent expropriation and the need for government-enforced removal. These settlements can be achieved by offering fair compensation, incentives, and benefits to affected parties while mitigating information and bargaining power disparities. Clients are encouraged to acquire land rights through

negotiated settlements, even if they possess legal means to access the land without the seller's consent.

'Displaced persons may be classified as persons i) who have formal legal rights to the land, ii) who do not have formal legal rights to the land at the time of the census, but who have a claim to land that is recognised or recognisable under the national law; or iii) who have no recognisable legal right or claim to the land they occupy'.

The objectives of PR 5 include:

- to avoid or, at least minimise, involuntary resettlement wherever feasible by exploring alternative project designs
- to mitigate adverse social and economic impacts from land acquisition or restrictions on affected persons' use of and access to land by: (i) providing compensation for loss of assets at replacement cost; and (ii) ensuring that resettlement activities are implemented with appropriate disclosure of information, consultation, and the informed participation of those affected
- to improve or, at a minimum, restore the livelihoods and standards of living of displaced persons to pre-project levels, through measures that can be enterprisebased, wage-based and/or enterprise based, so as to facilitate sustainable improvements to their socio-economic status
- to improve living conditions among displaced persons through provision of adequate housing with security of tenure at resettlement sites.

2.3 Analysis of Gaps and Solutions

A comparison of national legislation and EBRD requirements is provided below. The LALRF is designed to meet national legislation and EBRD requirements, however, where gaps exist the LALRF process will follow the standards most beneficial to the affected persons and entities.

Kosovo laws and regulations differ from EBRD PR5 in the following areas:

Table 2-1: Summary of gaps between Kosovo legislation and EBRD requirements

Issue	EBRD requirement	Provision of Kosovo Law	Measures to bridge the gap
Planning process	Requires the Client carry out a socio-economic baseline assessment of Project affected people, in order to identify impacts related to land acquisition and restrictions on land use and develop appropriate actions to minimise and mitigate resettlement impacts. Requires preparation and implementation of detailed land acquisition plans.	Requires only an Expropriation Study as the baseline census; no explicit requirement related to socio-economic surveys or development of land acquisition and resettlement plans.	A detailed LALRP will be developed for the Project once the exact nature and magnitude of the land acquisition are known, i.e., after the development of the Expropriation Study required by national legislation, and a detailed census and socio-economic survey will be carried out, which will identify both formal and informal land/property users as well as vulnerable persons/ households and livelihoods of all Project affected people.
Cut-off date	Requires that the client establish a cut-off date for eligibility and that the cut-off date is communicated throughout the project area.	Provides that compensation will not be paid for the cost or value for any improvements to the property after the date on which the decision accepting an application for further processing of expropriation is published in the Official Gazette, or for any changes in the market value of the property, after either the date of adoption of the decision authorising preparatory activities or the date of the initial submission of the application for expropriation, whichever comes first.	The cut-off dates set out in the local legislation will be used (and specified in LALRP), in combination with the date of the census and assets inventory as the cut-off date for persons without any recognisable rights – if any. Affected people must be informed about the cut-off date.
Negotiated settlements	Clients are expected to seek to acquire property through negotiated settlements by providing fair and appropriate compensation even if they have the legal means to gain access to the land through expropriation procedure.	Does not require or encourage negotiated settlements.	Negotiated settlements will be carried out where possible, before the expropriation process is initiated.
Compensation value and timing	Compensation for lost assets to be provided at replacement cost, and provided prior to the affected person/persons experiencing a loss.	Compensation is paid on the basis of the market value of the property. Access to land and property by the expropriating authority is not allowed until and unless the affected owners receive compensation.	Compensation will be provided in line with EBRD requirements and paid prior to land entry, as defined under the “Key Principles” chapter. Specific entitlements are listed in the Entitlements Matrix.
Eligibility for compensation	Project affected persons in terms of EBRD PR 5 may be classified as persons: a) Those who have formal legal rights to the land (including customary and traditional	Only persons with recognisable rights and claims are entitled to compensation.	Eligibility for compensation and livelihood restoration will be extended to affected persons who have no recognisable legal rights or claim to the land they use for their

Issue	EBRD requirement	Provision of Kosovo Law	Measures to bridge the gap
	<p>rights recognised under national laws) – <i>entitled to compensation for loss of assets at replacement cost</i></p> <p>b) Those who do not have formal legal rights to land at the time of the census, but who have a claim to land that is recognised or recognisable under national laws – <i>entitled to compensation for loss of assets at replacement cost</i></p> <p>c) Those who have no recognisable legal right or claim to the land they occupy – <i>entitled to adequate housing with security of tenure if physically displaced and/or compensation for any losses on land (crops, infrastructure on the land, etc.) if economically displaced</i></p>		<p>livelihood as to be identified through the census during LALRP preparation.</p>
Vulnerable groups	<p>EBRD PR 5 requires that vulnerable groups are identified at the time of socio-economic surveys, consulted and provided with assistance measures tailored to their needs.</p>	<p>No specific provision in the Law. However, assistance to and protection of 'at-risk' groups are provided, to some extent, on the basis of special laws governing human rights including property rights (Law on Financing Specific Housing Programs which provides housing options for vulnerable groups; the Law on Protection and Promotion of Rights of Communities and their Members in Kosovo which defines measures for protection of persons belonging to certain recognized communities in Kosovo).</p>	<p>Vulnerable groups should be identified through the census and survey. In case vulnerable groups and ethnic minorities are identified, the LALRP should clearly define the modality and required level of consultations and assistance for such groups.</p> <p>If necessary, responsible authorities for ensuring social welfare should be consulted and included in the implementation of LALRP.</p> <p>All communication and documentation delivered to minority ethnic groups, as part of the consultations, should be carried out in an appropriate language, recognised as an official or regional language in Kosovo.</p>
Grievance mechanism	<p>A Project-specific grievance mechanism should be set up as early as possible in the process, to receive and address in a timely manner specific concerns about compensation and relocation that are raised by displaced persons.</p>	<p>Owners or interest holders are entitled to file complaints in various stages of the process and submit written comments to the expropriating authority during the consultation process, but no requirement for a Project-specific grievance mechanism.</p>	<p>A grievance procedure will be set as part of the implementation of the Stakeholder Engagement Plan (SEP) and will include aspects of land acquisition.</p>

Issue	EBRD requirement	Provision of Kosovo Law	Measures to bridge the gap
Participation/ meaningful consultations	<p>Meaningful consultation of affected persons and communities, including host communities, will be organised by the client throughout the process of resettlement planning and implementation. Consultation and engagement efforts should be supported with simple, practical, accurate and culturally appropriate documentation meant for broad dissemination to affected persons.</p>	<p>Several articles of the Law stipulate notifying of/consultation with property owners and stakeholders. However, the Law does not consider the needs of ethnic minorities and displaced persons. It also does not regulate the procedure for dealing with absent property owners, and does not contain any measures for ensuring the rights of such owners to be timely and properly informed of any administrative action taken against their property and to effective legal remedies.</p>	<p>In addition to information disclosure and consultation requirements prescribed by local legislation, the LALRP will include special considerations of the needs of any minority ethnic groups and displaced persons to ensure adequate and timely information sharing through LALRP. Special attention should be given to adequate use of official languages when disclosing relevant information.</p> <p>With regard to any absent property owners, all reasonable efforts will be utilised to properly identify and locate any absent property owners, to engage the assistance of minority community offices and/or non-governmental organisations in Kosovo if needed, and to deposit the compensation amount in a separate account at the Central Bank of Kosovo.</p>
Monitoring of LALRP implementation	<p>Arrangements for monitoring of the land acquisition process must be defined by the LALRP.</p>	<p>No provision</p>	<p>Monitoring will be carried out by the PIU.</p>

3 KEY PRINCIPLES OF LAND ACQUISITION

The PIU has undertaken to adhere to the following principles with respect to land acquisition and restriction of access to property in the implementation of the Project, which will enable full compliance with all EBRD PR 5 requirements, and the bridging of all gaps identified between such requirements and national legislation:

1. **All involuntary land acquisition of property or restriction of access to assets** will be conducted in compliance with the applicable legislation in Kosovo and EBRD requirements. In case of any inconsistencies between national legislation and EBRD requirements, the higher standards will be adopted.
2. **Involuntary resettlement will be avoided where feasible, or minimised**, exploring additional viable alternative Project designs as needed during the development of the design documentation. The PIU will make maximum efforts to conclude **negotiated settlements** with PAP in order to avoid expropriation. Such efforts will be documented.
3. **A detailed LALRP will be developed by the PIU** in accordance with the requirements of this LALRF. The development of the LALRP will also include **socio-economic survey and census** which will be conducted simultaneously, and which will identify both formal and informal land/property users as well as vulnerable persons/households.

It has been ascertained that a certain number of landowners of the future WWTP site belong to the Serbian ethnic group. Taking into consideration the widely acknowledged geopolitical situation and the absence of diplomatic relations between Serbia and Kosovo, there may be difficulties in contacting these landowners. This concern intensifies if their current residence is in Serbia, complicating, or even rendering impossible, communication with them. Therefore, the PIU will need to identify, before the start of LALRP development, the competent state authorities in Kosovo, NGOs and relevant international organisations (such as UN, OSCE etc.) which can assist in establishing contact with the mentioned landowners. Following the identification of these owners and communication channels with them, the PIU will include the details in the LALRP.

The detailed LALRP will contain a tailored Entitlements Matrix, consultation activities, implementation arrangements, list of affected plots and land users, and plans for monitoring and evaluation of any livelihood restoration activities. It is important that this process is implemented simultaneous with the preparation of the detailed designs for the WWTP.

Specific gender dimensions of displacement will be taken into account further in the LALRP throughout the baseline survey, impact assessment, and mitigation and monitoring processes.

The LALRP development will include identification of Project impacts and affected people involving:

- a. **Mapping of the Project area and affected households/land plots** including the class of land, owners, any leasers and land use patterns.
- b. **Census of affected plots, assets and persons** to establish a list of people with formal and informal land rights and livelihoods and to identify those who will be eligible for compensation and/or assistance in particular paying attention to vulnerable persons/households, such as ethnic groups in minority, single mothers, widows and widowers, disabled and elderly people, or those living in poverty.

A detailed census of all affected people, households, plots, properties and other assets is necessary to identify the number of affected people and plots. The census should be undertaken by the PIU or a third party with experience in census and survey activities. The census will collect information on cadastre identification and coordinates of land plots, assets, category of land, size of the plot and any cultivated crops, trees and structures that will be affected by the Project. The census shall utilise cadastral information to identify formal land owners and users. Further on-field investigations may be needed to identify any informal owners and users of the affected land plots.

A cut-off date will be established for eligibility according to EBRD requirements and national legislation. Information regarding the cut-off date will be widely published throughout the project affected area.

c. **Socio-economic survey** to complement the census data and gather detailed information on the socio-economic background of affected people and evaluate the impacts on their livelihoods in order to establish fair compensation and livelihood restoration measures.

The socio-economic survey will provide detailed information on formal and informal livelihoods, assets, activities and structures. All affected people regardless of having formal title who are recorded during the census will be eligible for compensation in accordance with national legislation and EBRD requirements as set out in this LALRF.

The socio-economic survey should also identify: patterns of land use, crops cultivated and use of natural resources; livelihood and income levels of affected persons, especially income from temporarily lost land and income for both formal and informal land users; and seasonal resources users who might be affected by the Project.

An **Entitlements Matrix** will be developed in the LALRP based on the information from the above steps and in line with the national legislation and EBRD requirements. The Matrix will outline the groups of affected persons and the assistance, compensation and livelihood restorations they are entitled to receive.

4. **All affected persons will be informed, meaningfully consulted and encouraged to participate** during LALRP preparation and throughout the land acquisition process, in accordance with the information disclosure and consultation requirements set out in this LALRF. The consultation process shall ensure that women's perspectives are obtained and their interests factored into all aspects of resettlement planning and implementation. Women's and men's preferences in terms of compensation mechanisms, replacement land or alternative access to assets rather than cash, will be explored and documented. Measures will be in place to ensure meaningful participation of women and men in any consultations about resettlement, including appropriate times of meetings, transport, childcare support, as well as convening women only meetings when necessary.
5. The **cut-off dates** set out in the local legislation will be used (and to be specified in LALRP), in combination with the date of the census and assets inventory as the cut-off date for persons without any recognisable rights if such categories are found.

Any persons who settle in the Project area after the cut-off date will not be eligible for any compensation, but will be given sufficient advance notice, requested to vacate premises and dismantle affected structures (if any) prior to Project implementation.

6. **Valuation of all assets** that are subject for compensation, including any buildings, crops, interrupted economic activities and access to natural resources will be made by designated certified valuers. The procedure of valuation shall be undertaken in line with legislation of Kosovo and EBRD requirements. To reach full replacement value, transaction costs related to restoring land and assets, such as taxes and registration fees, and value of land improvements will be added to the market value. Relocation costs will be paid if any relocation is needed.

Provisions for enabling crop harvest before land entry will be made. Annual crops that are harvested before land entry shall not be compensated. Compensation rates for remaining crops will be calculated based on replacement value taking into consideration the productivity of the land based on the estimated annual yield of the crop per hectare multiplied with the market price of the crop. Where full replacement property cannot be offered to the affected landowners, livelihood restoration assistance will be included in the compensation package.

In cases where partial expropriation of agricultural land occurs and the remaining land is assessed by the landowner to be unsuitable for further agricultural use, compensation will be considered for the value of the full land parcel.

7. All owners and users of affected property at the time of the cut-off date, whether with or without fully recognised ownership rights, will be eligible for compensation and/or assistance, as outlined in the Entitlements Matrix. Eligibility for compensation and livelihood restoration will

be extended to affected persons who have no recognisable legal rights or claim to the land they use for their livelihood, as to be identified through the census during LALRP preparation. **Compensation will always be effected prior to land entry or taking of possession over property** by the expropriation beneficiary. Issues related to payment of cash compensation will be discussed and agreed with owners and all affected members of households. Cash compensation will be paid in full or in instalments as agreed with the owners and affected members of the households and as defined by contracts, to the bank accounts specified by the owners, with agreement of all affected members of the household. In cases where there is more than one owner of property (i.e., co-ownership of married couples), compensation amounts will be divided and paid to the bank accounts they specify.

In the case of **absentee owners** (e.g., people with legal rights to the land but who are living elsewhere), they will still be eligible for compensation and the PIU will make and document its efforts to find them and inform them about the process. If they cannot be found, and in accordance with local requirements, the compensation amount must be allocated in an escrow account and be readily available should the absentee owner reappear.

In case there any **legal issues related to the ownership** of a property, the compensation amount must be allocated in an escrow account and be readily available once the legal issues related to the ownership have been resolved.

Payment of compensation will be made by the Ministry of Finance prior to land acquisition or lost access to economic activities and natural resources to the bank accounts specified by the owners/users, with agreement of all affected members of the household.

8. An effective **grievance mechanism** will be in place for receiving and addressing in a timely fashion any concerns about the Project, including issues covered in this LALRF.
9. The PIU will **monitor the implementation of the land acquisition and resettlement processes** through official institutional arrangements in the manner described in more detail in this LALRF.

4 ELIGIBILITY AND ENTITLEMENTS

A **preliminary Entitlements Matrix** is presented below to set out the principles of compensation for different groups of affected people depending on the assets, properties and livelihood loss as a result of the Project.

This Entitlements Matrix will need to be updated and tailored to the identified land acquisition and economic affected persons as part of the LALRP.

Table 4-1: Entitlements Matrix

Type of potential loss/ impact	Category of affected person/ entity	Entitlements
Permanent loss of privately owned or used land	Owners of land	Cash compensation for lost assets at full replacement cost or through replacement land equal in value and productivity to the plot lost, and at locations acceptable to the affected people where feasible. Any identified economically unviable – orphan land, will also be acquired, if requested by the owner and determined as unviable, by certified appraisers.
	Any informal user of land	Provision of information by the PIU about the acquisition of the land at least three months in advance of the beginning of construction works on the land to allow the person using the land informally to find an alternative option and vacate project affected land, assistance in finding an alternative option and compensation for any assets and crops on land (see the separate items on annual crops, forest trees and any improvements on land below).
Permanent loss of access to public land for agriculture	Lease holders with long-term leases	Replacement public land of the same size and quality for use or revision of existing contract to reflect the reduced area of land available for use. Compensation at full replacement cost of any damages or losses suffered by the affected user of land.
	Informal user of land	In case of fulfilment of any of the vulnerability criteria to be defined in future LALRP, specific vulnerability assistance to be provided (in addition to assistance for finding an alternative option as noted in the above item)
Loss of annual crops or plants (including losses stemming from land use restrictions)	Owner of crops (can be the owner of the land, leaseholder or informal user of the land)	The right to harvest crops. OR Cash compensation for lost annual crops, at full replacement cost, as determined by certified appraisers.
Loss of fruit trees/vines (including losses stemming from land use restrictions)	Owner of fruit trees/vines (can be the owner of the land, leaseholder or informal user of the land)	Cash compensation for lost perennial yields and timber (if applicable), at full replacement cost, as determined by certified appraisers.
Loss of forest trees (including losses stemming from land use restrictions)	Owner of forest trees	Cash compensation for loss of forest trees, at full replacement cost, as determined by certified appraisers.
Loss of any improvements made to the land (e.g., irrigation system, water well)	Owner of the improvements (can be the owner of the land, leaseholder or informal user of the land)	Cash compensation for the improvements at full replacement cost, as determined by certified appraisers. AND

Type of potential loss/ impact	Category of affected person/ entity	Entitlements
		The right to remove and take away any removable improvements made on the land.
Loss of income or livelihood associated with either of the above losses (economic displacement)	All categories of affected persons listed above	Individually tailored livelihood restoration or improvement assistance (e.g., assistance to access employment on the Project or through the municipal social departments, assistance to access other land for use, assistance to access available agricultural programmes, etc.)
Disproportionate/more difficult impact, as a result of vulnerability	Vulnerable individuals/households	Individually tailored assistance (assistance in obtaining needed personal documents, assistance to open a bank account, assistance to access social welfare or health programmes provided in the municipality, legal support and assistance in formulating complaints, etc.)
Undefined impact (permanent or temporary loss)	All categories	Any undefined impact shall be mitigated in accordance with the principles and objectives of this LALRF.

5 DISCLOSURE OF INFORMATION AND COMMUNICATIONS

LALRF disclosure

The requirements for disclosure of Project documents (including this LALRF) and public consultations have been set out in the Stakeholder Engagement Plan (SEP) prepared for this Project within the framework of the Project's Disclosure Package for the purpose of enhancing stakeholder engagement throughout the life cycle of the Project and carrying out stakeholder engagement in line with local legislation and EBRD requirements.

The LALRF will remain in the public domain for the entire duration of the Project cycle. It will be publicly available in Albanian, Serbian and English in electronic and printed forms at:

Name of institution	Website	Address	Note
RCWB	http://www.bifurkacioni.com/	Str. Enver Topalli, Ferizaj, Kosovo Tel. +383 (0)290 320 650 info@bifurkacioni.com	The website section with the published Project documents will be refreshed at least once a year to ensure visibility of the documents.
Municipality of Ferizaj	https://kk.rks-gov.net/ferizaj/	Str. Dëshmorët e Kombit, nn, Ferizaj, Kosovo Tel. +383 (0)38 200 46 076 & 080011005 info.ferizaj@rks-gov.net	-
Municipality of Kaçanik	https://kk.rks-gov.net/kacanik/	Str. Emin Duraku, Kacanik, Kosovo Tel. +383 290 380 047 & 080011014	-

Disclosure and consultations during future LALRP development

The LALRP will be developed in close communication with the affected communities. Affected persons will be provided with opportunities to discuss the approach to compensation and livelihood restoration and ask any questions they may have regarding the processes. The draft LALRP will be publicised, and the Project affected persons will be encouraged to voice their opinion and provide comments in relation to the Project, as well as to propose specific solutions for issues that arise. All warranted comments and proposals will receive appropriate attention. Specific disclosure and consultation requirements will be defined in the LALRP. The LALRP will include special considerations of the needs of any ethnic groups in minority and displaced persons to ensure adequate and timely information sharing through LALRP. Special attention should be given to adequate use of official languages when disclosing relevant information.

As noted previously, the PIU will need to identify, before the start of LALRP development, the competent state authorities in Kosovo, NGOs and relevant international organisations (such as UN, OSCE etc.) which can assist in establishing contact with the landowners that belong to the Serbian ethnic group. Following the identification of these owners and communication channels with them, the PIU will include the details in the LALRP.

6 IMPLEMENTATION ARRANGEMENTS

Roles and responsibilities

The PIU will develop the LALRP or engage qualified resettlement specialists to develop the LALRP. The PIU will be responsible for the implementation of all aspects of the LALRF/LALRP, and will cooperate with all necessary authorities and organisations. Parties involved in the different aspects of project implementation will be required to comply with the requirements set out in this LALRF.

The implementation of the LALRP shall start prior to construction activities. In general, the LALRP implementation will have three key stages:

- Public meetings, census and socio-economic survey and the negotiation process related to temporary land acquisition/occupation.
- Provision of land rights, payment of compensation, and livelihood restoration.
- Monitoring and reporting process of the LALRP implementation to EBRD.

Monitoring, evaluation and reporting

On-going monitoring, evaluation and periodic reporting on LALRP implementation will be undertaken by the PIU. The PIU will maintain a land acquisition database. The data/information will be updated periodically. All information on Project affected people, their holdings and their compensation payments and assistance measures will be kept and managed securely and confidential in line with General Data Protection Regulation (European Union, 2016) and the Kosovo Law on Personal Data Protection.

Monitoring will be carried out to track progress, identify problems and make changes where necessary. As a general rule, it will involve the following specific indicators (as may be amended in the LALRP based on more specific information collected during LALRP development):

Input indicators (<i>progress monitoring to measure whether the activities have been delivered as specified in the LALRP</i>)
<ul style="list-style-type: none"> • Overall spending on expropriation and compensation • Compensation paid into escrow accounts • Number of affected people by categories (consistent with categories in the Entitlement Matrix) • Number of affected people belonging to vulnerable groups (especially ethnic groups in minority)
Output indicators (<i>performance monitoring to measure the results of the inputs that have been delivered</i>)
<ul style="list-style-type: none"> • Number of public meetings and meaningful consultations with affected people • Number of people having received compensation • Number and percentage of negotiated settlements signed and number of individual compensation agreements • Number of persons requesting special assistance (such as legal support) and types of assistance provided in a timely manner • Number and amount of payments that restore loss of income • Documentation of efforts to communicate with vulnerable groups (especially ethnic groups in minority)
Outcome indicators (<i>impact evaluation to measure whether the delivery of inputs and the achievement of outputs are contributing to the successful accomplishment of objectives which have been set for LALRP implementation</i>)
<ul style="list-style-type: none"> • Number and type of grievances, including any court cases, related to land acquisition; percentage of grievances resolved to the satisfaction of affected parties; average time for processing; any trends

• Average time for payment of compensation
• Types of special assistance provided in a timely manner
• Payment of compensation at full replacement cost
• Satisfaction with payment of compensation
• Re-establishment of incomes/livelihoods

The PIU will include monitoring data and progress reporting on LALRP activities in its quarterly reporting during the land acquisition process and summarise relevant information in their reports to EBRD.

A final **Land Acquisition and Resettlement Execution Report** will be developed and submitted to EBRD when all land acquisition has been completed and all impacts successfully mitigated. The report will include: a summary of project impacts and principles guiding the LALRP; description of efforts to avoid and minimise displacement; summary of consultation events and outcomes, including how they influenced entitlements and other features of the land acquisition, resettlement, and livelihood restoration activities; description of the compensation delivery process; description of any issues encountered and how they were resolved; summary of grievances received and how they were resolved, including the list of any grievances and court cases pending at the date of submission of the report; description of resources mobilised to plan and implement land acquisition, resettlement, and livelihood restoration activities.

The PIU will also ensure that an **external completion audit** is carried out by independent qualified and competent resettlement specialists after all land acquisition activities have been completed and their outcomes can be measured. The completion audit has the following objectives:

- assess the effectiveness of measures to avoid and minimise displacement impacts,
- verify that all entitlements and commitments described in the LALRP have been delivered,
- determine whether livelihood restoration measures have been effective in restoring or enhancing affected peoples' living standards and livelihood,
- check on any grievances that may have been left outstanding.

The completion audit report will present conclusions on the effectiveness of the implementation of the LALRP commitments and identify any corrective measures that could be necessary. The PIU may be required by the EBRD to disclose the completion audit report.

Costs and timetable

The detailed budget and timeline for implementation will be defined in the LALRP prior to initiation of any land acquisition activities. The budget will cover compensation, any costs of livelihood restoration, monitoring and evaluation as well as contingencies and administrative expenses.

7 GRIEVANCE MECHANISM

A grievance mechanism set up under the Stakeholder Engagement Plan will be used to collect feedback, questions and comments regarding this LALRF and future LALRP. It will be put in place early in the process to receive and address stakeholder comments and questions in a timely manner and provide further information on compensation and livelihood restoration measures to the people affected by physical or economic displacement. Grievances will be addressed in a timely manner according to the grievance mechanism presented in the Stakeholder Engagement Plan.