



MUNICIPALITY OF SVETI NIKOLE

ABBREVIATED RESETTLEMENT ACTION PLAN (RAP)

**For properties to be affected by the construction of a new section of
the streets “Mile Pop Jordanov”, “Vojdan Chernodrinski”,
“Kiro Gligorov”, “Sirma Vojvoda”
and “11th of October”**

Table of contents

1. Introduction	3
1.1 Scope and purpose of the Abbreviated Resettlement Action Plan	5
1.2 Overall estimates of land acquisition	5
2. Minimizing Resettlement	5
3. Census	5
3.1 Expropriation of private property	7
3.2 Expropriation of land belonging to the Republic of North Macedonia used by users	7
3.3 Expropriation of land belong to the RNM (used illegally)	7
3.4 Categories of impacts	8
3.5 Process for consultations on the results of the census surveys	8
4. Resettlement policies and entitlements	9
4.1 Definition of project affected persons	12
4.2 The method of valuation used for affected structures, land, trees and other assets	12
4.3 Entitlement matrix	14
5. Institutional Arrangements	15
6. Costs and Budgets	16
7. Participation and Consultation	16
8. Grievance Redress	17
9. Monitoring and Evaluation	17

1. Introduction

The Government of the Republic of Macedonia has received a credit from the World Bank towards the cost of the Municipalities services improvement 2.

Municipality of Sveti Nikole , having on mind the strategic objectives for the development of the urban transport system in the municipality, as a contribution to the sustainable environmental protection by minimizing the harmful emissions, noise and climate change and energy efficiency, and contributing to economic development through enabling mobility and access to all parts of the city is planning to construct a new section of the streets “Mile Pop Jordanov”, “Vojdan Chernodrinski”, “Kiro Gligorov”, “Sirma Vojvoda” and “11th of October” .

The new route of the streets is within the General Urban Plan and the Detailed Urban Plan for this section of the city, but also in the Strategy for Local Economic Development and the Annual Program for Traffic, Roads and Construction Land. The newly projected streets will be a total width of 10m, with two lanes of 3m width, two sidewalks with a width of 2.0 m.

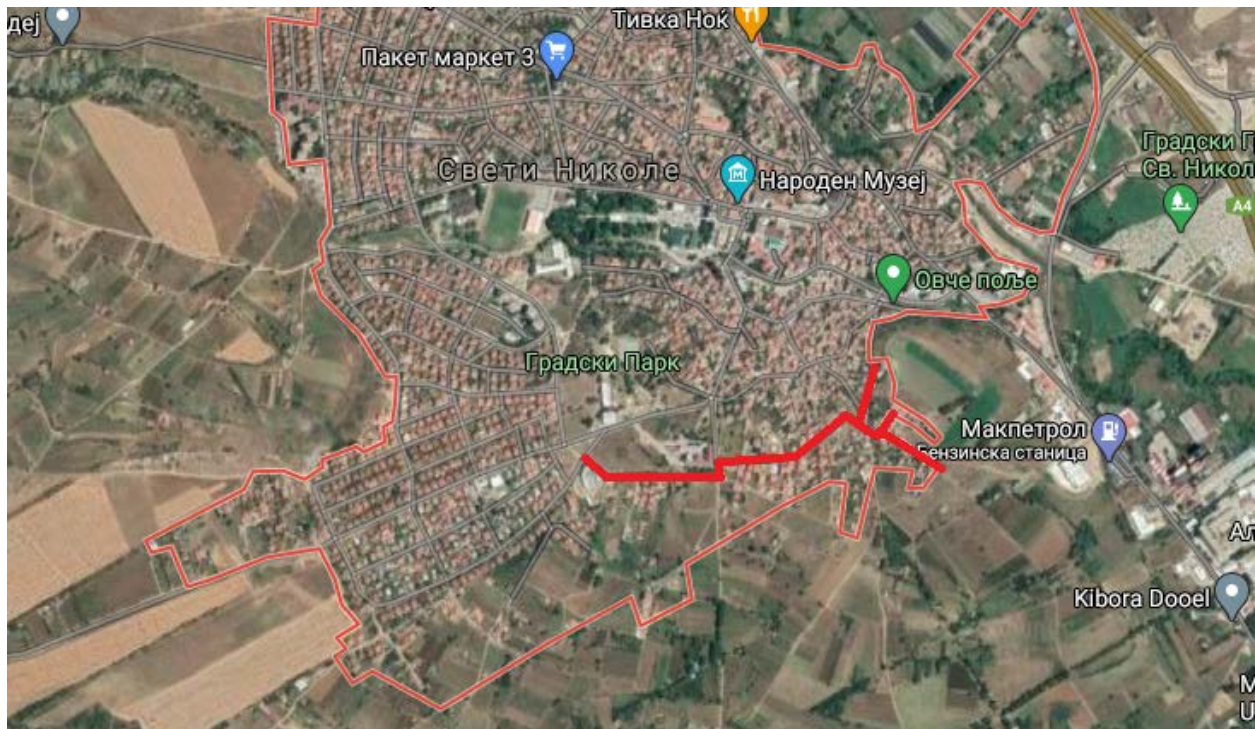


Figure 1. Map of the project area

Several photographs of the Project area, taken during field visits conducted during the preparation of this ARAP, are shown below.



Figure 2: Selected photographs from the projected area

1.1 Scope and purpose of the Abbreviated Resettlement Action Plan

As part of the mitigation measures for social economic impacts of the project to the community, the RAP is hereby prepared for properties which will be affected. This document is designed to be consistent with:

- The Laws and regulations in force in the Republic of North Macedonia
- The World Bank requirements (on Involuntary Resettlement OP 4.12) including the Annex 4.3 of the MSIP Project Operational Manual the - Resettlement Policy Framework.

There will be neither cases of displacement nor impact on the livelihood. The aim of this ARAP is to ensure that those who will be affected by the project are adequately compensated for their partly losses of assets in compliance with the policy. The municipality of Sveti Nikole, Department for Urbanism and Spatial Planning together with the Department for Local Economic Development, carried requisite studies, prepared valuation of properties and made plans for implementation and monitoring of the project activities to ensure project's compliance with the Land Regulations and World Bank social safeguard policies. Overall, the most important consideration in planning for the rehabilitation work is to minimize disruption and avoid the resettlement of the people. Upon the construction of the streets "Mile Pop Jordanov", "Vojdan Chernodrinski", "Kiro Gligorov", "Sirma Vojvoda" and "11th of October" there will be no resettlement of people.

1.2 Overall estimates of land acquisition

The table below presents the effects that will influence the classes that correspond to the legal status of the owners and users of the land, in accordance with Macedonian laws. In addition, a short summary has been given of the effects on each of these three sections of the planned part of the streets "Mile Pop Jordanov", "Kiro Gligorov", "Sirma Vojvoda" and "11th of October" that is subject to construction.

Description	"Mile Pop Jordanov", "Vojdan Chernodrinski", "Kiro Gligorov", "Sirma Vojvoda" and "11 th of October"
Length of the route	1,108 km
Land that belongs to the state - Republic of North Macedonia (RNM)	11 m2
Private land registered in the Cadastre of the Republic of North Macedonia (thus legally recognized for compensation)	2397m2
Land that belongs to proprietors	2397m2
Total land that is subject of expropriation by the Municipality of Sveti Nikole , for the reconstruction and renovation of the road	2397 m2

Table 1. Overall estimates of land acquisition by effects

There is no land that is occupied illegally.

The categories of land is classified as following:	"Mile Pop Jordanov", "Vojdan Chernodrinski", "Kiro Gligorov", "Sirma Vojvoda" and "11 th of October"
a) Construction non-build land:	1257 m2
b) Construction build Land:	1078 m2
c) Field:	1200 m2
d) Yards:	
e) Street:	62 m2
f) Pastures:	30 m2
g) Orchards:	
h) Railroads	
i) Woods	
j) Wineyards	27 m2
k) Other natural infertile land	

Table 2. Categories of land

There will be neither displacement nor impact on the business activities located on the side of the roads. There is no small business such as kiosks or any similar small business activities by the road.

There will be no displacement of the private houses as well. On this stretch, there are no facilities that would be subject of demolition and moving of persons, and there would be no need to dislocate any temporary facilities. Some of the parcels have light fences that Municipality of Sveti Nikole, as the investor in the construction, will dislocate and, following the completion of the works, will restore their original condition.

2. Minimizing Resettlement

On this stretch, there are no facilities that would be subject of demolition and moving of persons, and there would be no need to dislocate any temporary facilities. Some of the parcels have lite metal fences that the Municipality of Sveti Nikole, as the investor in the construction, will dislocate and, following the completion of the works, will restore their original condition.

3. Census

The socioeconomic study was not carried because of minor impact, relatively small land acquired per affected person and there was no case of displacement or any other impact of the economic activities of a business.

3.1 Expropriation of private property

Municipal Cadastre	Бр. на парцела	Private property	Expropriation m ²	Building	Type	Total Parcel in m ²	Sole proprietor / co-owner
Sveti Nikole-out of town	5715/19	xxxxxxx	131	No.	field	1155	xxxxxxx
Sveti Nikole-out of town	5742/19	xxxxxxx	95	No.	field	230	xxxxxxx
Sveti Nikole-out of town	5742/22	xxxxxxx	27	No.	field	398	xxxxxxx
Sveti Nikole-out of town	5742/23	xxxxxxx	11	No.	field	398	xxxxxxx
Sveti Nikole-out of town	5742/25	xxxxxxx	8	No.	field	301	xxxxxxx
Sveti Nikole-out of town	5744/3	xxxxxxx	24	No.	wineyard	4563	xxxxxxx
Sveti Nikole-out of town	5744/4	xxxxxxx	3	No.	wineyard	4563	xxxxxxx
Sveti Nikole-out of town	5743/8	xxxxxxx	71	No.	field	1138	xxxxxxx
Sveti Nikole-out of town	4635/9	xxxxxxx	8	No.	field	290	xxxxxxx
Sveti Nikole-out of town	4630	xxxxxxx	21	No.	Construction build Land	21	xxxxxxx
Sveti Nikole-out of town	4629	xxxxxxx	43	No.	Construction build Land	43	xxxxxxx
Sveti Nikole-out of town	4627/5	xxxxxxx	1	No.	field	48	xxxxxxx
Sveti Nikole-out of town	4627/6	xxxxxxx	11	No.	Construction non-build land	241	xxxxxxx
Sveti Nikole-out of town	4628/2	xxxxxxx	96	No.	field	104	xxxxxxx
Sveti Nikole-out	4624/6	xxxxxxx	62	No.	Street	65	xxxxxxx

of town							
Sveti Nikole-out of town	4623/9	xxxxxxx	77	No.	Construction build Land	464	xxxxxxx
Sveti Nikole-out of town	4620/2	xxxxxxx	31	No.	field	255 1	xxxxxxx
Sveti Nikole-out of town	4617/2	xxxxxxx	10	No.	Construction build Land	162 5	xxxxxxx
Sveti Nikole-out of town	4614/2	xxxxxxx	50	No.	field	156 1	xxxxxxx
Sveti Nikole-out of town	4333/2	xxxxxxx	326	No.	field	182 1	xxxxxxx
Sveti Nikole-out of town	4499/2	xxxxxxx	36	No.	field	426 4	xxxxxxx
Sveti Nikole-out of town	11172/6	xxxxxxx	249	No.	Construction build Land	811	xxxxxxx
Sveti Nikole-out of town	10684/2	xxxxxxx	30	No.	Pastures	665	xxxxxxx
Sveti Nikole-out of town	10686/6	xxxxxxx	92	No.	Construction build Land	239	xxxxxxx
Sveti Nikole-out of town	10689/2	xxxxxxx	16	No.	Construction build Land	229	xxxxxxx
Sveti Nikole-out of town	10690/2	xxxxxxx	4	No.	Construction build Land	284	xxxxxxx
Sveti Nikole-out of town	10692/2	xxxxxxx	22	No.	Construction build Land	299	xxxxxxx
Sveti Nikole-out of town	10719/4	xxxxxxx	404	No.	Construction build Land	925	xxxxxxx
Sveti Nikole-out of town	10720/2	xxxxxxx	33	No.	Construction build Land	529 2	xxxxxxx
Sveti Nikole-out of town	10720/3	xxxxxxx	7	No.	Construction build Land	529 2	xxxxxxx
Sveti Nikole-out of town	10694/2	xxxxxxx	9	No.	Construction build Land	633	xxxxxxx

Sveti Nikole-out of town	10698/2	xxxxxxx	31	No.	Construction build Land	628	xxxxxxx
Sveti Nikole-out of town	10702/5	xxxxxxx	43	No.	Construction build Land	902	xxxxxxx
Sveti Nikole-out of town	10703/2	xxxxxxx	6	No.	Construction build Land	2378	xxxxxxx
Sveti Nikole-out of town	11161/1	xxxxxxx	309	No.	field	309	xxxxxxx

Table 3. Expropriation of private property

3.2 Expropriation of land belonging to the Republic of North Macedonia used by users

Cadastral Municipality	No of parcel	Republic of Macedonia (user)	Expropriated m ²	Buildings	Type	Total parcel m ²	Alone owner / co-owner

Table 4. Expropriation of land belonging to the Republic of Macedonia used by users

3.3 Expropriation of land belong to the RNM (used illegally)

N/A

3.4 Categories of impact

The categories of impacts are as follows:

Category	“Mile Pop Jordanov”, “Vojdan Chernodrinski”, “Kiro Gligorov”, “Sirma Vojvoda” and “11 th of October”	
	Square meter	% of total land
Physical persons who lose the yard	0	0%
Physical persons who lose the Pastures	30	1,25%
Physical persons who lose the Orchards	27	1,12%
Physical persons who lose the Fields	1200	50,06%
Physical persons who lose the construction land	1078	44,97%
Physical persons who lose the part of the access road	62	2,58%
Firms which lose the pastures	0	0%
Firms which lose the construction land	0	0%

Firms which lose the yard	0	0%
Firms which lose the part of the access road	0	0%
Firms which lose the Orchards	0	0%
Total:	2397	100%

Table 5. Categories of impact

3.5 Process for consultations on the results of the census surveys

The public consultation meetings involving all representatives of key stakeholders in the Municipality of Sveti Nikole (i.e. mainly those who will be affected by the roadwork in one way or the other) were conducted along the road influence area. The key stakeholders included Municipality Leaders, working groups, service/utilities institutions, private sector, NGOs, and other community members. The main purpose of these meetings was to come together and discuss modalities of solving the problems likely to happen during and after rehabilitation of the highway sections. The aims were twofold:

- a) To brief stakeholders on the intended works for rehabilitation of the Road, identify the burning expropriation issues together, and get their views and inputs on the process;
- b) To get some views on how those burning issues can be amicably resolved in feasible and economical ways.

The public meetings were held in December 2020.

The Public consultations were participatory meetings, which involved exchange of ideas and discussions.

Venues selected for meetings are shown on the following table:

No.	Place	Date	Time
1	Sveti Nikole Municipality Hall	30.12.2020	13:00 – 14:00

Public announcements for the meetings were made for the meetings in the newspapers that are publishing in both of the official languages in Republic of North Macedonia. The meetings and consultations included officials from the municipality sector of Urbanism and Spatial planning, Sector for Local Economic development, the Consultant for projecting of the Municipality of Sveti Nikole, neighborhoods association representatives, and citizens that are affected.

At the meeting, the participants were informed about the:

- Intentions of the municipality, The Plan for the Boulevards,
- Affected areas that are subject to expropriation,
- The decision of the municipal council that gives consent to the realization of the project as a capital project of importance to the municipality of Sveti Nikole, and
- The official Statement of the Mayor of the Municipality of Sveti Nikole for taking over the obligation to regulate the property and legal relations within the project.

Summarizing the concerns received during the public participation process, the main issues are:

- Compensation for land, buildings and commercial activities at a current market price which is within the road reserve
- The time frame for the project works and time for moving the properties from the road reserve
- Transparency in valuation and punctuality in paying compensation,

4. Resettlement policies and entitlements

The municipality of Sveti Nikole reviewed the Macedonian legal requirements in comparison with the Operational Policy and Bank Procedures (Project Operational Manual 2.3 Gap Analysis). It was noted that there are conflicts or gaps between the World Bank Safeguard Policies and national legislation. These differences are presented on the table below. **It should be noted that, where there is a difference between national law and World Bank Safeguard Policies, the latter will be applied in the project.**

Macedonian legislation	WB Involuntary Resettlement Policy	Conclusion on gaps	Actions to address the gaps
Eligibility			
Macedonian law does not recognize persons who do not have a formal legal title	<p>those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country);</p> <p>those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan</p> <p>those who have no recognizable legal right or claim to the land they are occupying.</p>	In general, the provisions of the Macedonian legislation and WB's OP 4.12 are the same, except provision on persons lacking the formal legal right over the property.	<p>It is recommended WB OP 4.12 is followed although it is not expected (c) category PAPs.</p> <p>The governmental initiative for the legalization of objects without proper building permits starts in 2010 and end in June 2014. The initiative for the legalization of illegally occupied land (backyard) started in 2011 and ended in October 2014.</p>
Entitlements			
Macedonian laws do not include socio-economic assessment in order to determine the real magnitude of impact to the PAP	Implementation of a census and a social-economic assessment within an affected area, to identify the persons who will be displaced and determine who will be	The difference between OP 4.12 practice and national legislation is that by OP 4.12 apart from the inventory of losses, a socio-economic assessment is done to	Law does not forbid getting more information from all affected persons those with and without a title. Thus not only the lost assets will be surveyed but also other

	eligible for compensation and assistance. As well as to determine the magnitude of impacts.	determine how and whether the losses are impacting the livelihood of project affected person.	features that will help in profiling of the affected persons. WB OP 4.12 to be followed
Compensation under the Expropriation law is determined in accordance with the prevailing market price after taking into account the value of land, cost of structures (residential and business) & installations, crops, forest land and timber, also it covers compensation for transaction costs.	Compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.	The difference between OP 4.12 practice and national legislation is that by OP 4.12 gives beneficiary to the PAP in means of improvement of the quality of life or restoration to a previous condition.	Compensation will be at replacement value.
Timing of Compensation Payment			
According to paragraph 48 of the law, Compensation has to be paid/provided within 30 days from the day when a compensation agreement has been signed or the court decision on compensation has become final. Construction permit cannot be obtained without solved property issues, however, in some cases construction permit is provided.	Taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons.	There is a gap of 15 days where the land can be acquired before it is paid. In some cases even more.	Local authorities must deposit funds equal to the offered amount in a secure form of escrow or other interest-bearing deposit acceptable to the Bank in a case where an affected person does not accept proposed compensation and if compensation is equivalent to at least replacement value. Compensation of land and assets must be fully paid prior to taking of land.
Information and consultation			
Those who have formal legal rights are informed throughout the expropriation process (i.e. that a request for expropriation has been submitted), before the	Information related to quantification and cost of land, structures and other assets, entitlements and amounts of compensation and	There is no legal obligation for Local Authorities to conduct early Information dissemination and consultation with PAPs prior to the process of	Plans for consultations with all project affected people, including host communities should be incorporated in the ARAP. Also, the draft ARAP itself must be

decision on expropriation is passed, the municipal office in charge of expropriation has to invite the affected person with formal legal rights to a meeting to present any facts which may be relevant for expropriation.	financial assistance are to be disclosed in full to the affected persons. Displaced persons and their communities are provided with timely and relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementation, and monitoring of resettlement.	expropriation. PAPs are not consulted or offered the opportunity to participate in the planning, implementation, and monitoring of resettlement.	subject to public consultation. The law of expropriation does not regularize public consultation. Thus, World Bank practices will guide the process
--	--	--	---

Table 6. Differences between Macedonian law/regulation and WB policy

Wherever there is a discrepancy between Macedonian laws on expropriation and the World Bank Safeguard Policy (Project Operational Manual 2.3 Gap Analysis) the World Bank Safeguard Policy will prevail. However, in the sub-project, there are no cases of displacement of neither households nor businesses. Structures to be demolished are fences that regardless of legality will be rebuilt upon alignment of the road.

4.1 Definition of project affected persons

Project affected People status within project areas is as follows:

- Legal Owners– Owners of the land, either legal entities or physical persons. Those who have legal right and property certificates. There are 56 legal owners that have rights on their properties.
- No legal owners who claim ownership. These are persons that do not have formal legal rights but have a claim on the land and are in the process of establishing a property right. There is no such owner in our case.
- Persons owning land but have illegal structures. Are persons who have either business or dwelling or part of the dwelling or any other related structure in their own land, but do not have a formal construction permit and thus ownership certificates. There is no such person in our case.
- Proprietors. Are legal entities or physical persons that have a long-term lease on government land. They may or may not use the asset. There are none in this case.

There are no squatters or affected with the project and thus squatters are not defined in the description of the affected persons.

4.2 The method of valuation used for affected structures, land, trees and other assets

In accordance with Article 18 of the Macedonian *Law on Expropriation*, it is required that the compensation for an expropriated property is not lower than the “market value” of the real estate.

As part of the expropriation procedure (preparation of the Proposal for expropriation), Municipality of Sveti Nikole uses the standard *Methodology for determining the market value of real estate*.¹ The evaluation of land and construction and determination of market value for each expropriation process, the Municipality of Sveti Nikole have signed the contract for consultancy of an independent assessor. (for the purposes of determining the offer for compensation in the Proposal for expropriation).

The evaluation procedure is conducted by the project team, for each individual land parcel. It consists of several specific steps with inputting of parameters of costs, established with the above-mentioned documents:

1. Evaluation of the land – for a specific construction land, the estimate is determined per meter squared, based on the prices prevailing on the market. The market value of the construction land is determined according to the average price of the sales in the year preceding the year for which the land evaluation is carried out. If no sales were made on the territory of the municipality in the previous year or there are no data, the market value is determined according to comparative data for the construction land that are in circulation in the municipalities that are adjacent to the municipality on the territory where the construction land is located. The area for evaluation for each specific construction land is according to the geodetic expropriation elaborate prepared for the needs of the basic projects for the construction of a new section on streets “Mile Pop Jordanov”, “Vojdan Chernodrinski”, “Kiro Gligorov”, “Sirma Vojvoda” and “11th of October”. The value of the land is determined in accordance with the Decision on criteria for determining the zones in the Municipality of Sveti Nikole no. 0801-132 / 15 from 31.01.2014.

2. Discount for public utility connections – determined market price of the land, which is taken as the basis for calculating the tax, is then subject of a significant discount, because the Municipality of Sveti Nikole is obliged to charge the citizens for improvements in the infrastructure connections (which are usually used for connecting to the public utility infrastructure, including the reconstruction of roads and precipitation drainage).

3. Evaluation of buildings – following the determination of the offered amount for compensation for the land, the amount of compensation for the expropriated buildings and constructions is calculated. As we have previously mentioned, only the legally constructed and registered buildings and structures are entitled to compensation. The buildings and other constructions are evaluated in accordance with the methodology for the cost of materials and works, based on a system of points, proposed in the general Methodology for determining the market value of real estate. The system of points assigns a sum of points (established in the Methodology) for each individual facility or construction element (concrete and wooden frames, roofs, electric installations, etc.), in some case while paying attention to the quality of the material (so-called exclusivity). Afterward, the sum of points is multiplied by the area or the

¹Issued by the Ministry of transport and communication (published in the Official Gazette, Republic of Macedonia, 54/2012 and 17/2013)

number of units in order to reach a price based in Euros (thus disregarding the inflation in the Macedonian currency). There is no illegal building in our case.

4. Reduction of the amortization – the amount obtained (in Euros) is the subject of the amortization discount of 0.5% for each past year from the date of construction (up to 60 years). The amount obtained as the result is the “total construction value” which is the value of the replaced construction materials with the course of time due to amortization and the price of labor. Amortization-depreciation is not in compliance with the World Bank Safeguard Policy (Project Operational Manual 2.3 Gap Analysis) but there are no structures that need to be demolished and thus compensated.

5. Micro-location adjustment – the obtained “total construction value” is then adjusted to the location and its vicinity to basic public services and conveniences such as schools, hospital and public transport, by using a sum of points, similar to the one described above, which is then multiplied with the number of square meters in the basis of the building. The sum of points for each micro-location indicator has been provided in the *Methodology*. This result is added to the total construction value.

6. Macro-location adjustment – the adjusted total construction value of the micro-location is additionally increased by the component of macro-location that consists of a sum of points from the municipal division into zones (which is also used for tax purposes), and the municipal zones are determined by the Municipality of Sveti Nikole. The sum of points for the macro-location is multiplied with the constructed basis in square meters, similar to the adjustments for the micro-location, and it is then added to the denominated construction value, expressed in Euros.

7. Adjustments according to attractiveness – At this time another adjustment could be made based on the documented interest for the purchase of buildings, as established with the *Methodology*; however, this provision is not used for residential facilities.

8. Conversion of currencies and added value of the land and buildings – the cumulative value of the land, buildings and the constructions is added to the value adjusted for amortization and the location of the facilities, and this is then converted into an amount from Euros into Denars. In addition, 3% to compensate for the tax is paid on the final amount.

9. In exceptional cases, when the expropriation procedure will go into a court procedure, based on expert analysis ordered by the Court, prepared by a certified court forensics expert, and they establish a price that is higher than the one offered by the Municipality of Sveti Nikole, the municipality will be obliged by the Court decision.

10. As an additional step, the existing agricultural crops or fruits on expropriated parcels of land shall be evaluated by a qualified expert agriculturist, for the purpose of determining the value of any losses incurred from the destruction of the agricultural crops, in accordance with Article 26 of the *Law on Expropriation*.

4.3 Entitlement matrix

Category of PAP	Property	Type of Project affected right or property or loss	Entitlement
Owner physical person or legal entity (business)	Construction Land	Loss of fraction of land and the rest of the parcel is viable	Cash compensation for affected land at replacement cost (equivalent to the market value of the property, sufficient to replace the lost assets and cover transaction costs). Proposed compensation for the lost part of the land at least 1200 MKD per square meter
Owner physical person or legal entity (business)		Loss of fraction of land rest of the parcel is not usable	Cash compensation for all affected land at a replacement cost. However, there is no such case. Proposed compensation for the lost part of the land at least 1200 MKD per square meter
Claim to ownership physical person	Construction Land	Loss of fraction of land	Assistance to register the land and obtain a property certificate. Cash compensation for affected land at replacement cost.
No recognizable legal right or claim	Construction Land and other asset that is not a dwelling.	Loss of land and assets (fences, shed, shack)	No cash compensation for affected land at replacement cost. Cash compensation for assets at replacement costs or rebuild of a new asset for the same function in a new position of the same parcel/yard
Proprietor – Long term lease of the land	Construction Land	Loss of the lease to a fraction of land that is not in use	Cash compensation to at least 1200 MKD per square meters

Table 7. Entitlement matrix

5. Institutional Arrangements

The process of expropriation is regulated in the Macedonian *Law on Expropriation*. With the *Law of Expropriation* the right of the state to perform expropriation from private owners, in cases of verified public interest, as determined in Article 4.

The Law on Expropriation specifies the conditions and the procedures observed by the state and local authorities when conducting prerogatives of a very important domain (seizure of land for a fee). Article 7 of this *Law* regulates the construction, development of infrastructure, and other projects that are considered of “public interest”, in accordance with Article 30 of the Constitution of the Republic of Macedonia that also includes the “Construction of roads, squares and parking places”. Article 4 of the *Law* specifically authorizes the Municipality of Sveti Nikole to undertake the expropriation.

The overall expropriation procedure, as defined in the Macedonian *Law on Expropriation*, includes the following steps:

Preparation of a Proposal for expropriation by the user of the expropriation or an entity legally authorized by the user (in this case the Municipality of Sveti Nikole) - the proposal must include identification of the expropriated property and the respective ownership and the holders of the rights, as well as a description of the project that needs to be implemented. As an annex to the proposal for expropriation, the user must also include a formal geodetic report with numerical and spatial data for the expropriated property, as well as the estimated evaluation of the property for the purposes of proving the assets required for the expropriation, based upon this estimation.

The proposal for expropriation is submitted to the body of the state expropriation authority that is the Office for property-legal affairs within the Ministry of Finance (Office). The office needs to send the proposal together with all the annexes to all owners of the property and the holders of the rights to the procedure (within 5 days from the day of receiving the proposal), as well as to the Cadastre Agency that is responsible for running the register of real estate.

The office then convenes a meeting with the user of the expropriation at the official premises of the Office. The date of the meeting shall not be scheduled within less than 15 days following the reception of the Proposal for expropriation and the documentation by the owner of the property or the holder of the rights. The purpose of the meeting is to check the bases for the public interest, on one side, as well as the owner or the rights to claims, and then the funds and the amounts of the compensations. This initial meeting could end with an agreement on the compensation of damages, which agreement has the effect of a resolution on expropriation and formally rounds up the expropriation procedure, enabling the user to claim ownership of the property 15 days after the signing of the agreement.

In cases when an agreement cannot be reached at the first meeting, the expropriation body (Office) needs to issue a Decision for an expropriation proposal in accordance with the facts established in the case. The decision of the Office could be either positive or negative, meaning that it could assert the expropriation based on the public interest, or deny the request for expropriation. The affirmative decision could be disputed by the owner of the property or the holder of the rights within the Administrative Court. In case of an affirmative decision, the Office then convenes a second meeting between the user of the expropriation and the owner or the holder of the rights, for the purposes of

agreeing on the amount of compensation. If an agreement on the compensation cannot be reached at this meeting, the Office then brings the case before the competent court.

The process of land acquisition has been managed by the Unit for expropriation, part of the Department of Urbanism and Spatial Planning in the Municipality of Sveti Nikole. The municipality, within its competencies, in order to resolve the property legal issues on the sections where according to the detailed urban plan is planned construction of the mentioned streets before the competent service for property rights initiated a procedure for expropriation of property that will be occupied by the streets. For that purpose, 35 expropriation requests were submitted, which covered 67 property owners. So far, they have been positively resolved and a compensation agreement has been reached with 58 owners, while the procedure is still ongoing and has not been completed with 9 property owners. The reason for the unfinished proceedings is the fact that these people are abroad. They have been contacted through their family members who are in Macedonia and they are working on providing a power of attorney on behalf of the family members who are in North Macedonia so that they can conclude an agreement with the expropriation authority on behalf of the owners. We expect these procedures to be completed within a period not exceeding two to three months.

6. Costs and Budgets

The presented financial costs apply only to the expropriation process, and they are provided in the Budget of the Municipality of Sveti Nikole in the total amount of **1.078.650,00 MKD** and this amount is going to be paid in accordance with the expropriation procedure by the end of 2021. The required

personnel, resources and the covering of administrative expenses for the implementation of the activities planned with the project will be provided by the Municipality of Sveti Nikole.

7. Participation and Consultation

The Municipality of Sveti Nikole will have to communicate effectively with all stakeholders in the project so that there is accurate information about the road and reconstruction. Community-level programs are essential elements in the communication strategy for providing important information to the public, to nongovernmental organizations (NGOs) and to government agencies. Community liaison will provide the opportunity to the members of the community currently occupying the reconstruction to identify their support and concerns; it will also provide the form of communication with project proponents and regulatory bodies and will facilitate anticipation of and management of the project issues such as respect to the reconstruction and protection of traffic signs.

The major stakeholder groups are:

- The Municipality of Sveti Nikole
- Contractors and Suppliers
- Residents living in the project area and the daily commuters of the boulevard
- Media

Taking into consideration the positive side of including the citizens in the implementation of projects, the Municipality of Sveti Nikole through the citizen hotline, will enable consistent information for the project "Construction of a new section of streets "Mile Pop Jordanov", "Vojdan Chernodrinski", "Kiro Gligorov", "Sirma Vojvoda" and "11th of October" and also information on the implementation will be also posted on the Internet site of the municipality.

The municipality of Sveti Nikole publishes the Detailed Urban Plans in the internet site of the municipality, and citizens have access to the plans and can determine what the affected areas with the plans are. Also, the citizens can contact the municipality through the official email address, and get answers for their concerns regularly.

8. Grievance Redress

Apart from the formal grievance mechanisms, a committee for a grievance will be formed. The committee will consist of representatives from the Department for Urbanism and Spatial Planning and Legal Department from Municipality of Sveti Nikole, representative of the citizens affected by the expropriation. The committee together with every particular affected person will try to resolve any issue including expropriation. This committee will be used as a last try to resolve any issue before the address to the court.

In cases when an agreement cannot be reached at the first meeting, the expropriation body (Office) needs to issue a Decision for an expropriation proposal in accordance with the facts established in the

case. The decision of the Office could be either positive or negative, meaning that it could assert the expropriation based on the public interest, or deny the request for expropriation. The affirmative decision could be disputed by the owner of the property or the holder of the rights within the Administrative Court. In case of an affirmative decision, the Office then convenes a second meeting between the user of the expropriation and the owner or the holder of the rights, for the purposes of agreeing on the amount of the compensation. If an agreement on the compensation cannot be reached at this meeting, the Office then brings the case before the competent court.

In exceptional cases, when the expropriation procedure will go into a court procedure, based on expert analysis ordered by the Court, prepared by a certified court forensics expert, and they establish a price that is higher than the one offered by the Municipality of Sveti Nikole, the municipality will be obliged by the Court decision.

The decision upon establishing a grievance committee can be found on Annex 2.

9. Monitoring and Evaluation

The Department of Urbanism and spatial planning in close cooperation with the cabinet of the Mayor of Municipality of Sveti Nikole will conduct the monitoring and update the database with the performed expropriation, while the Department of Finance will provide the data on the performed payments related with the expropriation, and will conduct the monitoring and keep record of the procedure.

The monitoring and evaluation of the implementation of the Resettlement Action Plan will be implemented in accordance with the indicators given in the table below.

Indicator	Source of information	Reporting period
<i>Input indicator</i>		
Funds spent on expropriation	Financial card	Monthly
<i>Output indicator</i>		
Number of resolved cases on expropriation	Report from the monitoring in the part of the implementation of the expropriation	Monthly
REPORTS		
Monitoring Report	Monitoring Report to be submitted to MSIP	6 months
PRESENTATION		
Internet site	Internet site of the Municipality of Sveti Nikole	Monthly

Table 8. Monitoring and evaluation

Implementation of the activities related with the indicators given in the table above, together with the activities that will be implemented in the part for expropriation shall be included two times a year in the Monitoring Report to be submitted to MSIP. Parts of these reports will be posted on the Internet site of the Municipality of Sveti Nikole.



MUNICIPALITY OF SVETI NIKOLE

ABBREVIATED RESETTLEMENT ACTION PLAN (ARAP)

**For properties to be affected by the construction of a new section of
the streets Rajko Zinzifov and Jurij Gagarin**

Sveti Nikole , February 2021

Table of contents

1. Introduction	3
1.1 Scope and purpose of the Abbreviated Resettlement Action Plan	5
1.2 Overall estimates of land acquisition	5
2. Minimizing Resettlement	5
3. Census	5
3.1 Expropriation of private property	7
3.2 Expropriation of land belonging to the Republic of North Macedonia used by users	7
3.3 Expropriation of land belong to the RM (used illegally)	7
3.4 Categories of impacts	8
3.5 Process for consultations on the results of the census surveys	8
4. Resettlement policies and entitlements	9
4.1 Definition of project affected persons	12
4.2 The method of valuation used for affected structures, land, trees and other assets	12

4.3 Entitlement matrix	14
5. Institutional Arrangements	15
6. Costs and Budgets	16
7. Participation and Consultation	16
8. Grievance Redress	17
9. Monitoring and Evaluation	17

1. Introduction

The Government of the Republic of North Macedonia has received a credit from the World Bank towards the cost of the Municipalities services improvement 2.

Municipality of Sveti Nikole , having on mind the strategic objectives for the development of the urban transport system in the municipality, as a contribution to the sustainable environmental protection by minimizing the harmful emissions, noise and climate change and energy efficiency, and contributing to economic development through enabling mobility and access to all parts of the city is planning to construct a new section of the streets Rajko Zinzifov and Jurij Gagarin.

The new route of the streets is within the General Urban Plan and the Detailed Urban Plan for this section of the city, but also in the Strategy for Local Economic Development and the Annual Program for Traffic, Roads and Construction Land. The newly projected streets will be a total width of 10m, with two lanes of 3m width, two sidewalks with a width of 2.0 m.

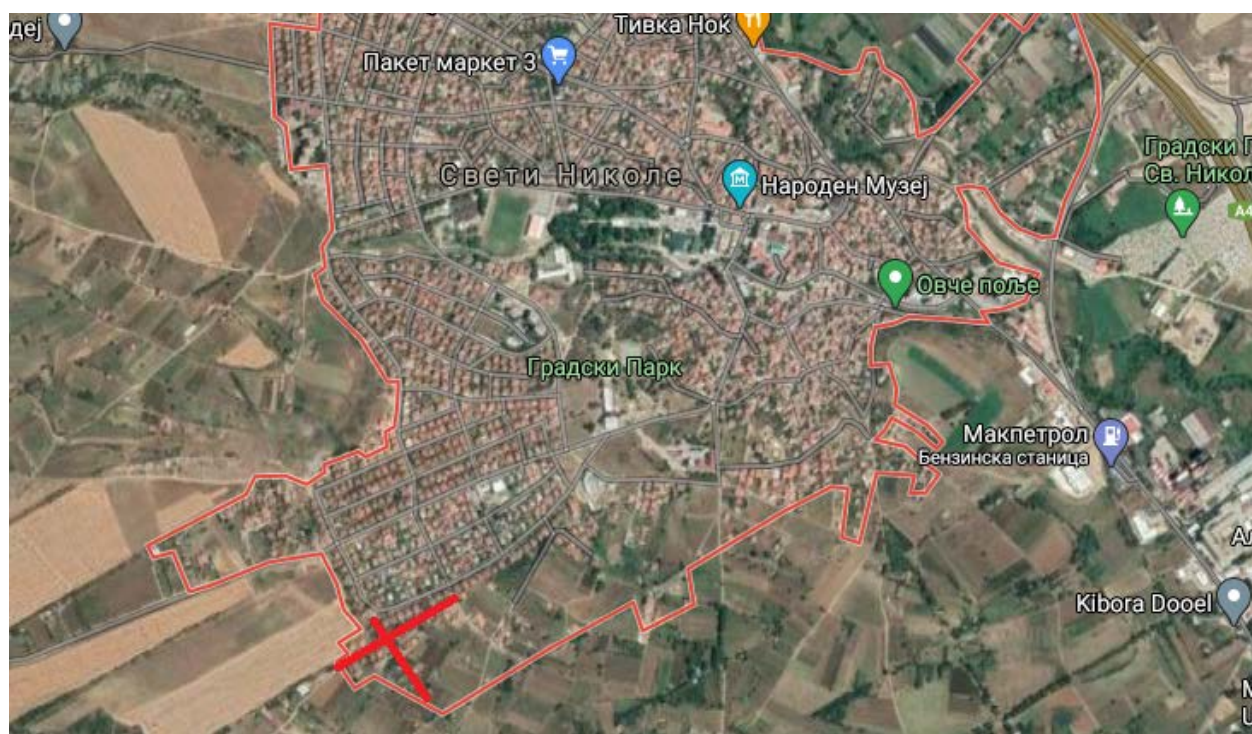


Figure 1. Map of the project area

Several photographs of the Project area, taken during field visits conducted during the preparation of this ARAP, are shown below.



Figure 2: Selected photographs from the projected area

1.1 Scope and purpose of the Abbreviated Resettlement Action Plan

As part of the mitigation measures for social economic impacts of the project to the community, the RAP is hereby prepared for properties which will be affected. This document is designed to be consistent with:

- The Laws and regulations in force in the Republic of North Macedonia
- The World Bank requirements (on Involuntary Resettlement OP 4.12) including the Annex 4.3 of the MSIP Project Operational Manual the - Resettlement Policy Framework.

There will be neither cases of displacement nor impact on the livelihood. The aim of this ARAP is to ensure that those who will be affected by the project are adequately compensated for their partly losses of assets in compliance with the policy. The municipality of Sveti Nikole, Department for Urbanism and Spatial Planning together with the Department for Local Economic Development, carried requisite studies, prepared valuation of properties and made plans for implementation and monitoring of the project activities to ensure project's compliance with the Land Regulations and World Bank social safeguard policies. Overall, the most important consideration in planning for the rehabilitation work is to minimize disruption and avoid the resettlement of the people. Upon the construction of the streets Rajko Zinzifov and Jurij Gagarin there will be no resettlement of people.

1.2 Overall estimates of land acquisition

The table below presents the effects that will influence the classes that correspond to the legal status of the owners and users of the land, in accordance with Macedonian laws. In addition, a short summary has been given of the effects on each of these three sections of the planned part of the streets Rajko Zinzifov and Jurij Gagarin that is subject to construction.

Description	streets Rajko Zinzifov and Jurij Gagarin
Length of the route	0,449 km
Land that belongs to the state - Republic of North Macedonia (RM)	2966 m2
Private land registered in the Cadastre of the Republic of North Macedonia (thus legally recognized for compensation)	158 m2
Land that belongs to proprietors	158 m2
Total land that is subject of expropriation by the Municipality of Sveti Nikole , for the reconstruction and renovation of the road	158 m2

Table 1. Overall estimates of land acquisition by effects

There is no land that is occupied illegally.

The categories of land is classified as following:	streets Rajko Zinzifov and Jurij Gagarin
a) Construction non-build land:	2732 m2
b) Construction build Land:	392 m2
c) Field:	895 m2
d) Yards:	
e) Street:	158 m2
f) Pastures:	
g) Orchards:	
h) Railroads	
i) Woods	141 m2
j) Wineyards	
k) Other natural infertile land	1696 m2

Table 2. Categories of land

There will be neither displacement nor impact on the business activities located on the side of the roads. There is no small business such as kiosks or any similar small business activities by the road.

There will be no displacement of the private houses as well. On this stretch, there are no facilities that would be subject of demolition and moving of persons, and there would be no need to dislocate any temporary facilities. Some of the parcels have light fences that Municipality of Sveti Nikole , as the investor in the construction, will dislocate and, following the completion of the works, will restore their original condition.

2. Minimizing Resettlement

On this stretch, there are no facilities that would be subject of demolition and moving of persons, and there would be no need to dislocate any temporary facilities. Some of the parcels have lite metal fences that the Municipality of Sveti Nikole, as the investor in the construction, will dislocate and, following the completion of the works, will restore their original condition.

3. Census

The socioeconomic study was not carried because of minor impact, relatively small land acquired per affected person and there was no case of displacement or any other impact of the economic activities of a business.

3.1 Expropriation of private property

Cadastral Municipality	No. of parcel	Private property	Expropriated m ²	Buildings	Type	Total parcel m ²	Alone owner / co-owner
Sveti Nikole-out of town	5882/15	Petrusheva Andonova Daniela	148	No	street	535	Alone Owner
Sveti Nikole-out of town	5885/5	Senev Iljo, Stojanka Nikolova Stefanova	10	No	street	884	Senev Iljo 344/844 Stojanka Nikolova Stefanova 540/884

Table 3. Expropriation of private property

3.2 Expropriation of land belonging to the Republic of North Macedonia used by users

Cadastral Municipality	No of parcel	Republic of North Macedonia (user)	Expropriated m ²	Buildings	Type	Total parcel m ²	Alone owner / co-owner

Table 4. Expropriation of land belonging to the Republic of Macedonia used by users

3.3 Expropriation of land belong to the RNM (used illegally)

N/A

3.4 Categories of impact

The categories of impacts are as follows:

Category	streets Rajko Zinzifov and Jurij Gagarin	
	Square meter	% of total land
Physical persons who lose the yard	0	0%
Physical persons who lose the Pastures	0	0%
Physical persons who lose the Orchards	0	0%
Physical persons who lose the Fields	0	0%
Physical persons who lose the construction land	158	100%
Physical persons who lose the part of the access road	0	0%
Firms which lose the pastures	0	0%
Firms which lose the construction land	0	0%
Firms which lose the yard	0	0%
Firms which lose the part of the access road	0	0%
Firms which lose the Orchards	0	0%
Total:	158	100%

Table 5. Categories of impact

3.5 Process for consultations on the results of the census surveys

The public consultation meetings involving all representatives of key stakeholders in the Municipality of Sveti Nikole (i.e. mainly those who will be affected by the roadwork in one way or the other) were conducted along the road influence area. The key stakeholders included Municipality Leaders, working groups, service/utilities institutions, private sector, NGOs, and other community members. The main purpose of these meetings was to come together and discuss modalities of solving the problems likely to happen during and after rehabilitation of the highway sections. The aims were twofold:

- To brief stakeholders on the intended works for rehabilitation of the Road, identify the burning expropriation issues together, and get their views and inputs on the process;
- To get some views on how those burning issues can be amicably resolved in feasible and economical ways.

The public meetings were held in December 2020.

The Public consultations were participatory meetings, which involved exchange of ideas and discussions.

Venues selected for meetings are shown on the following table:

No.	Place	Date	Time
1	Sveti Nikole Municipality Hall	30.12.2020	13:00 – 14:00

Public announcements for the meetings were made for the meetings in the newspapers that are publishing in both of the official languages in Republic of North Macedonia. The meetings and consultations included officials from the municipality sector of Urbanism and Spatial planning, Sector for Local Economic development, the Consultant for projecting of the Municipality of Sveti Nikole, neighborhoods association representatives, and citizens that are affected.

At the meeting, the participants were informed about the:

- Intentions of the municipality, The Plan for the Boulevards,
- Affected areas that are subject to expropriation,
- The decision of the municipal council that gives consent to the realization of the project as a capital project of importance to the municipality of Sveti Nikole , and
- The official Statement of the Mayor of the Municipality of Sveti Nikole for taking over the obligation to regulate the property and legal relations within the project.

Summarizing the concerns received during the public participation process, the main issues are:

- Compensation for land, buildings and commercial activities at a current market price which is within the road reserve
- The time frame for the project works and time for moving the properties from the road reserve
- Transparency in valuation and punctuality in paying compensation,

4. Resettlement policies and entitlements

The municipality of Sveti Nikole reviewed the Macedonian legal requirements in comparison with the Operational Policy and Bank Procedures (Project Operational Manual 2.3 Gap Analysis). It was noted that there are conflicts or gaps between the World Bank Safeguard Policies and national legislation. These differences are presented on the table below. **It should be noted that, where there is a difference between national law and World Bank Safeguard Policies, the latter will be applied in the project.**

Macedonian legislation	WB Involuntary Resettlement Policy	Conclusion on gaps	Actions to address the gaps
Eligibility			
Macedonian law does	those who have formal legal	In general, the provisions	It is recommended WB

not recognize persons who do not have a formal legal title	<p>rights to land (including customary and traditional rights recognized under the laws of the country);</p> <p>those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan</p> <p>those who have no recognizable legal right or claim to the land they are occupying.</p>	of the Macedonian legislation and WB's OP 4.12 are the same, except provision on persons lacking the formal legal right over the property.	<p>OP 4.12 is followed although it is not expected (c) category PAPs.</p> <p>The governmental initiative for the legalization of objects without proper building permits starts in 2010 and end in June 2014. The initiative for the legalization of illegally occupied land (backyard) started in 2011 and ended in October 2014.</p>
Entitlements			
Macedonian laws do not include socio-economic assessment in order to determine the real magnitude of impact to the PAP	Implementation of a census and a social-economic assessment within an affected area, to identify the persons who will be displaced and determine who will be eligible for compensation and assistance. As well as to determine the magnitude of impacts.	The difference between OP 4.12 practice and national legislation is that by OP 4.12 apart from the inventory of losses, a socio-economic assessment is done to determine how and whether the losses are impacting the livelihood of project affected person.	Law does not forbid getting more information from all affected persons those with and without a title. Thus not only the lost assets will be surveyed but also other features that will help in profiling of the affected persons. WB OP 4.12 to be followed
Compensation under the Expropriation law is determined in accordance with the prevailing market price after taking into account the value of land, cost of structures (residential and business) & installations, crops, forest land and timber, also it covers compensation for transaction costs.	Compensation levels should be sufficient to replace the lost land and other assets at full replacement cost in local markets.	The difference between OP 4.12 practice and national legislation is that by OP 4.12 gives beneficiary to the PAP in means of improvement of the quality of life or restoration to a previous condition.	Compensation will be at replacement value.

Timing of Compensation Payment			
According to paragraph 48 of the law, Compensation has to be paid/provided within 30 days from the day when a compensation agreement has been signed or the court decision on compensation has become final. Construction permit cannot be obtained without solved property issues, however, in some cases construction permit is provided.	Taking of land and related assets may take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to the displaced persons.	There is a gap of 15 days where the land can be acquired before it is paid. In some cases even more.	Local authorities must deposit funds equal to the offered amount in a secure form of escrow or other interest-bearing deposit acceptable to the Bank in a case where an affected person does not accept proposed compensation and if compensation is equivalent to at least replacement value. Compensation of land and assets must be fully paid prior to taking of land.
Information and consultation			
Those who have formal legal rights are informed throughout the expropriation process (i.e. that a request for expropriation has been submitted), before the decision on expropriation is passed, the municipal office in charge of expropriation has to invite the affected person with formal legal rights to a meeting to present any facts which may be relevant for expropriation.	Information related to quantification and cost of land, structures and other assets, entitlements and amounts of compensation and financial assistance are to be disclosed in full to the affected persons. Displaced persons and their communities are provided with timely and relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementation, and monitoring of resettlement.	There is no legal obligation for Local Authorities to conduct early Information dissemination and consultation with PAPs prior to the process of expropriation. PAPs are not consulted or offered the opportunity to participate in the planning, implementation, and monitoring of resettlement.	Plans for consultations with all project affected people, including host communities should be incorporated in the ARAP. Also, the draft ARAP itself must be subject to public consultation. The law of expropriation does not regularize public consultation. Thus, World Bank practices will guide the process

Table 6. Differences between Macedonian law/regulation and WB policy

Wherever there is a discrepancy between Macedonian laws on expropriation and the World Bank Safeguard Policy (Project Operational Manual 2.3 Gap Analysis) the World Bank Safeguard Policy will

prevail. However, in the sub-project, there are no cases of displacement of neither households nor businesses. Structures to be demolished are fences that regardless of legality will be rebuilt upon alignment of the road.

4.1 Definition of project affected persons

Project affected People status within project areas is as follows:

- Legal Owners– Owners of the land, either legal entities or physical persons. Those who have legal right and property certificates. There are 2 legal owners that have rights on their properties.
- No legal owners who claim ownership. These are persons that do not have formal legal rights but have a claim on the land and are in the process of establishing a property right. There is no such owner in our case.
- Persons owning land but have illegal structures. Are persons who have either business or dwelling or part of the dwelling or any other related structure in their own land, but do not have a formal construction permit and thus ownership certificates. There is no such person in our case.
- Proprietors. Are legal entities or physical persons that have a long-term lease on government land. They may or may not use the asset. There is one as according to Table. 4.

There are no squatters or affected with the project and thus squatters are not defined in the description of the affected persons.

4.2 The method of valuation used for affected structures, land, trees and other assets

In accordance with Article 18 of the Macedonian *Law on Expropriation*, it is required that the compensation for an expropriated property is not lower than the “market value” of the real estate.

As part of the expropriation procedure (preparation of the Proposal for expropriation), Municipality of Sveti Nikole uses the standard *Methodology for determining the market value of real estate*.² The evaluation of land and construction and determination of market value for each expropriation process, the Municipality of Sveti Nikole have signed the contract for consultancy of an independent assessor. (for the purposes of determining the offer for compensation in the Proposal for expropriation).

The evaluation procedure is conducted by the project team, for each individual land parcel. It consists of several specific steps with inputting of parameters of costs, established with the above-mentioned documents:

²Issued by the Ministry of transport and communication (published in the Official Gazette, Republic of Macedonia, 54/2012 and 17/2013)

1. Evaluation of the land – for a specific construction land, the estimate is determined per meter squared, based on the prices prevailing on the market. The market value of the construction land is determined according to the average price of the sales in the year preceding the year for which the land evaluation is carried out. If no sales were made on the territory of the municipality in the previous year or there are no data, the market value is determined according to comparative data for the construction land that are in circulation in the municipalities that are adjacent to the municipality on the territory where the construction land is located. The area for evaluation for each specific construction land is according to the geodetic expropriation elaborate prepared for the needs of the basic projects for the construction of a new section on streets Rajko Zinzifov and Jurij Gagarin. The value of the land is determined in accordance with the Decision on criteria for determining the zones in the Municipality of Sveti Nikole no. 0801-132/ 15 from 31.04.2014.

2. Discount for public utility connections – determined market price of the land, which is taken as the basis for calculating the tax, is then subject of a significant discount, because the Municipality of Sveti Nikole is obliged to charge the citizens for improvements in the infrastructure connections (which are usually used for connecting to the public utility infrastructure, including the reconstruction of roads and precipitation drainage).

3. Evaluation of buildings – following the determination of the offered amount for compensation for the land, the amount of compensation for the expropriated buildings and constructions is calculated. As we have previously mentioned, only the legally constructed and registered buildings and structures are entitled to compensation. The buildings and other constructions are evaluated in accordance with the methodology for the cost of materials and works, based on a system of points, proposed in the general Methodology for determining the market value of real estate. The system of points assigns a sum of points (established in the Methodology) for each individual facility or construction element (concrete and wooden frames, roofs, electric installations, etc.), in some case while paying attention to the quality of the material (so-called exclusivity). Afterward, the sum of points is multiplied by the area or the number of units in order to reach a price based in Euros (thus disregarding the inflation in the Macedonian currency). There is no illegal building in our case.

4. Reduction of the amortization – the amount obtained (in Euros) is the subject of the amortization discount of 0.5% for each past year from the date of construction (up to 60 years). The amount obtained as the result is the “total construction value” which is the value of the replaced construction materials with the course of time due to amortization and the price of labor. Amortization-depreciation is not in compliance with the World Bank Safeguard Policy (Project Operational Manual 2.3 Gap Analysis) but there are no structures that need to be demolished and thus compensated.

5. Micro-location adjustment – the obtained “total construction value” is then adjusted to the location and its vicinity to basic public services and conveniences such as schools, hospital and public transport, by using a sum of points, similar to the one described above, which is then multiplied with the number of square meters in the basis of the building. The sum of points for each micro-location indicator has been provided in the *Methodology*. This result is added to the total construction value.

6. Macro-location adjustment – the adjusted total construction value of the micro-location is additionally increased by the component of macro-location that consists of a sum of points from the municipal division into zones (which is also used for tax purposes), and the municipal zones are determined by the Municipality of Sveti Nikole. The sum of points for the macro-location is multiplied

with the constructed basis in square meters, similar to the adjustments for the micro-location, and it is then added to the denominated construction value, expressed in Euros.

7. Adjustments according to attractiveness – At this time another adjustment could be made based on the documented interest for the purchase of buildings, as established with the Methodology; however, this provision is not used for residential facilities.

8. Conversion of currencies and added value of the land and buildings – the cumulative value of the land, buildings and the constructions is added to the value adjusted for amortization and the location of the facilities, and this is then converted into an amount from Euros into Denars. In addition, 3% to compensate for the tax is paid on the final amount.

9. In exceptional cases, when the expropriation procedure will go into a court procedure, based on expert analysis ordered by the Court, prepared by a certified court forensics expert, and they establish a price that is higher than the one offered by the Municipality of Sveti Nikole, the municipality will be obliged by the Court decision.

10. As an additional step, the existing agricultural crops or fruits on expropriated parcels of land shall be evaluated by a qualified expert agriculturist, for the purpose of determining the value of any losses incurred from the destruction of the agricultural crops, in accordance with Article 26 of the *Law on Expropriation*.

4.3 Entitlement matrix

Category of PAP	Property	Type of Project affected right or property or loss	Entitlement
Owner physical person or legal entity (business)	Construction Land	Loss of fraction of land and the rest of the parcel is viable	Cash compensation for affected land at replacement cost (equivalent to the market value of the property, sufficient to replace the lost assets and cover transaction costs). Proposed compensation for the lost part of the land at least 1200 MKD per square meter
Owner physical person or legal entity (business)		Loss of fraction of land rest of the parcel is not usable	Cash compensation for all affected land at a replacement cost. However, there is no such case. Proposed compensation for the lost part of the land at least 1200 MKD per square meter
Claim to ownership physical person	Construction Land	Loss of fraction of land	Assistance to register the land and obtain a property certificate. Cash compensation for affected land at replacement cost.
No recognizable legal right or claim	Construction Land and other asset that is not a dwelling.	Loss of land and assets (fences, shed, shack)	No cash compensation for affected land at replacement cost. Cash compensation for assets at replacement costs or rebuild of a new asset for the same function in a new position of the same parcel/yard
Proprietor – Long term lease of the land	Construction Land	Loss of the lease to a fraction of land that is not in use	Cash compensation to at least 1200 MKD per square meters

Table 7. Entitlement matrix

5. Institutional Arrangements

The process of expropriation is regulated in the Macedonian *Law on Expropriation*. With the *Law of Expropriation* the right of the state to perform expropriation from private owners, in cases of verified public interest, as determined in Article 4.

The Law on Expropriation specifies the conditions and the procedures observed by the state and local authorities when conducting prerogatives of a very important domain (seizure of land for a fee). Article 7 of this *Law* regulates the construction, development of infrastructure, and other projects that are considered of “public interest”, in accordance with Article 30 of the Constitution of the Republic of Macedonia that also includes the “Construction of roads, squares and parking places”. Article 4 of the *Law* specifically authorizes the Municipality of Sveti Nikole to undertake the expropriation.

The overall expropriation procedure, as defined in the Macedonian *Law on Expropriation*, includes the following steps:

Preparation of a Proposal for expropriation by the user of the expropriation or an entity legally authorized by the user (in this case the Municipality of Sveti Nikole) - the proposal must include identification of the expropriated property and the respective ownership and the holders of the rights, as well as a description of the project that needs to be implemented. As an annex to the proposal for expropriation, the user must also include a formal geodetic report with numerical and spatial data for the expropriated property, as well as the estimated evaluation of the property for the purposes of proving the assets required for the expropriation, based upon this estimation.

The proposal for expropriation is submitted to the body of the state expropriation authority that is the Office for property-legal affairs within the Ministry of Finance (Office). The office needs to send the proposal together with all the annexes to all owners of the property and the holders of the rights to the procedure (within 5 days from the day of receiving the proposal), as well as to the Cadastre Agency that is responsible for running the register of real estate.

The office then convenes a meeting with the user of the expropriation at the official premises of the Office. The date of the meeting shall not be scheduled within less than 15 days following the reception of the Proposal for expropriation and the documentation by the owner of the property or the holder of the rights. The purpose of the meeting is to check the bases for the public interest, on one side, as well as the owner or the rights to claims, and then the funds and the amounts of the compensations. This initial meeting could end with an agreement on the compensation of damages, which agreement has the effect of a resolution on expropriation and formally rounds up the expropriation procedure, enabling the user to claim ownership of the property 15 days after the signing of the agreement.

In cases when an agreement cannot be reached at the first meeting, the expropriation body (Office) needs to issue a Decision for an expropriation proposal in accordance with the facts established in the case. The decision of the Office could be either positive or negative, meaning that it could assert the expropriation based on the public interest, or deny the request for expropriation. The affirmative decision could be disputed by the owner of the property or the holder of the rights within the Administrative Court. In case of an affirmative decision, the Office then convenes a second meeting between the user of the expropriation and the owner or the holder of the rights, for the purposes of

agreeing on the amount of compensation. If an agreement on the compensation cannot be reached at this meeting, the Office then brings the case before the competent court.

The process of land acquisition will be managed by the Unit for expropriation, part of the Department of Urbanism and Spatial Planning in the Municipality of Sveti Nikole. The municipality, within its competencies, in order to resolve the property legal issues on the sections where according to the detailed urban plan is planned construction of the mentioned streets before the competent service for property rights initiated a procedure for expropriation of property that will be occupied by the streets. For that purpose, 35 expropriation requests were submitted, which covered 67 property owners. So far, they have been positively resolved and a compensation agreement has been reached with 58 owners, while the procedure is still ongoing and has not been completed with 9 property owners. The reason for the unfinished proceedings is the fact that these people are abroad. They have been contacted through their family members who are in Macedonia and they are working on providing a power of attorney on behalf of the family members who are in North Macedonia so that they can conclude an agreement with the expropriation authority on behalf of the owners. We expect these procedures to be completed within a period not exceeding two to three months.

6. Costs and Budgets

The presented financial costs apply only to the expropriation process, and they are provided in the Budget of the Municipality of Sveti Nikole in the total amount of **71.100.000,00** MKD and this amount is going to be paid in accordance with the expropriation procedure by the end of 2021. The required personnel, resources and the covering of administrative expenses for the implementation of the activities planned with the project will be provided by the Municipality of Sveti Nikole.

7. Participation and Consultation

The Municipality of Sveti Nikole will have to communicate effectively with all stakeholders in the project so that there is accurate information about the road and reconstruction. Community-level programs are essential elements in the communication strategy for providing important information to the public, to nongovernmental organizations (NGOs) and to government agencies. Community liaison will provide the opportunity to the members of the community currently occupying the reconstruction to identify their support and concerns; it will also provide the form of communication with project proponents and regulatory bodies and will facilitate anticipation of and management of the project issues such as respect to the reconstruction and protection of traffic signs.

The major stakeholder groups are:

- The Municipality of Sveti Nikole
- Contractors and Suppliers
- Residents living in the project area and the daily commuters of the boulevard
- Media

Taking into consideration the positive side of including the citizens in the implementation of projects, the Municipality of Sveti Nikole through the citizen hotline, will enable consistent information for the project “Construction of a new section of streets Rajko Zinzifov and Jurij Gagarin” and also information on the implementation will be also posted on the Internet site of the municipality.

The municipality of Sveti Nikole publishes the Detailed Urbanistic Plans in the internet site of the municipality, and citizens have access to the plans and can determine what the affected areas with the plans are. Also, the citizens can contact the municipality through the official email address, and get answers for their concerns regularly.

8. Grievance Redress

Apart from the formal grievance mechanisms, a committee for a grievance will be formed. The committee will consist of representatives from the Department for Urbanism and Spatial Planning and Legal Department from Municipality of Sveti Nikole, representative of the citizens affected by the expropriation. The committee together with every particular affected person will try to resolve any issue including expropriation. This committee will be used as a last try to resolve any issue before the address to the court.

In cases when an agreement cannot be reached at the first meeting, the expropriation body (Office) needs to issue a Decision for an expropriation proposal in accordance with the facts established in the case. The decision of the Office could be either positive or negative, meaning that it could assert the expropriation based on the public interest, or deny the request for expropriation. The affirmative decision could be disputed by the owner of the property or the holder of the rights within the Administrative Court. In case of an affirmative decision, the Office then convenes a second meeting between the user of the expropriation and the owner or the holder of the rights, for the purposes of agreeing on the amount of the compensation. If an agreement on the compensation cannot be reached at this meeting, the Office then brings the case before the competent court.

In exceptional cases, when the expropriation procedure will go into a court procedure, based on expert analysis ordered by the Court, prepared by a certified court forensics expert, and they establish a price that is higher than the one offered by the Municipality of Sveti Nikole, the municipality will be obliged by the Court decision.

The decision upon establishing a grievance committee can be found on Annex 2.

9. Monitoring and Evaluation

The Department of Urbanism and spatial planning in close cooperation with the cabinet of the Mayor of Municipality of Sveti Nikole will conduct the monitoring and update the database with the performed expropriation, while the Department of Finance will provide the data on the performed payments related with the expropriation, and will conduct the monitoring and keep record of the procedure.

The monitoring and evaluation of the implementation of the Resettlement Action Plan will be implemented in accordance with the indicators given in the table below.

Indicator	Source of information	Reporting period
<i>Input indicator</i>		
Funds spent on expropriation	Financial card	Monthly
<i>Output indicator</i>		
Number of resolved cases on expropriation	Report from the monitoring in the part of the implementation of the expropriation	Monthly
REPORTS		
Monitoring Report	Monitoring Report to be submitted to MSIP	6 months
PRESENTATION		
Internet site	Internet site of the Municipality of Sveti Nikole	Monthly

Table 8. Monitoring and evaluation

Implementation of the activities related with the indicators given in the table above, together with the activities that will be implemented in the part for expropriation shall be included two times a year in the Monitoring Report to be submitted to MSIP. Parts of these reports will be posted on the Internet site of the Municipality of Sveti Nikole.