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**D1-1 Motorway Project,  
Slovakia**

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Resettlement Framework

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## 1 Scope of the Document

This document is the Resettlement Framework (RF) for the D1 Motorway Project in Slovakia (“the Project”). It has been prepared in conformance with Slovak laws and regulations and the requirements of the European Bank for Reconstruction and Development (EBRD) – Environmental Policy 2003 and the International Finance Corporation (IFC) Performance Standard 5.

The requirements of this RF are binding to the Ministry of Transport, Post and Telecommunication of Slovakia (MDPT) and the Concessionaire selected to undertake the construction, operation and maintenance of the Project.

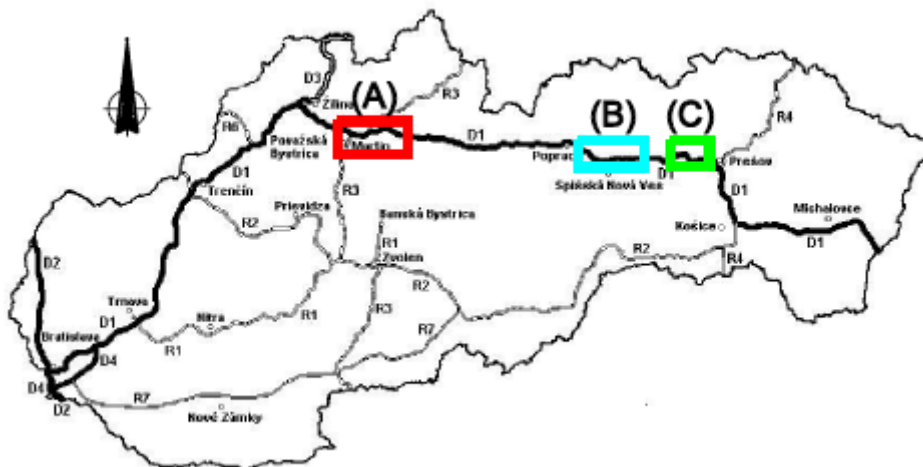
## 2 Project Description

### 2.1 Overview

The Project will construct five new sections on the D1 road corridor, as follows:

- three sections of motorway between Dubná Skala and Ivachnová (A)
- one section of motorway between Jánovce and Jablonov (B)
- one section of motorway between Fričovce and Svinia (C)

These five sections have a combined length of 75 km and are located in northern and eastern Slovakia.



**Figure 1 – Project Location**

### 2.2 Section 1 – Dubná Skala to Turany

This D1 motorway section is located in the Žilina region, in the district of Martin and passes through the cadastral areas of Vrútky, Lipovec, Turčianské Kľačany, Sučany and Turany. The total length of this section is approximately 16.3 km; it includes three elevated junctions located adjacent to Dubná Skala, Martin and Turany where the route connects into the adjacent highway network. Service areas are provided on the route between the Martin and Turany junctions for fuel, food and relaxation. A 2km link road from the Martin elevated junction provides a connection to the locally important I/18 road.

### **2.3 Section 2 – Turany to Hubová**

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This section of the Project is also located in the Žilina region, in the districts of Martin, Dolný Kubín and Ružomberok and passes through the cadastral areas of Ratkovo, Šútovo, Kraľovany, Rojkov, Stankovany, Ľubochňa, Švošov and Hubová. The section is approximately 13.5 km long and includes two tunnels, Rojkov and Havran, whose respective lengths are 1.8 km and 2.8 km. A new maintenance depot facility (SSÚD Stankovany) is to be provided east of the Kraľovany junction.

### **2.4 Section 3 – Hubová to Ivachnová**

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This section of the Project is again located in the Žilina region, in the district of Ružomberok and passes through the cadastral areas of Hrboltová, Likavka, Martinček, Lisková and Ivachnová. The total length of the section is approximately 15.3 km and includes the 2.0km long Čebrat. The Project connects to the adjacent highway network via elevated junctions at Hubová and Likavka. The Project also includes, at its eastern end, works to the existing D1 motorway and the addition of slip roads for a Service Area which will be built by others.

### **2.5 Section 4 – Jánovce to Jablanov**

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This section of the Project is located in the Prešov and Košice regions, in the districts of Poprad, Kežmarok, Spišská Nová Ves and Levoča. It passes through the cadastral areas of Machalovce, Spišský Štvrtok, Dravce, Illašovce, Kurimany, Levoča, Spišský Hrhov, Klčov, Nemešany and Spišské Podhradie. The total section length is approximately 18.5km and includes the 0.7km long Šibeník tunnel. It connects to the adjacent local road network via elevated junctions at “Spišský Štvrtok” and “Levoča”. Rest areas are included on either side of the motorway southeast of Levoča.

### **2.6 Section 5 – Fricovce to Svinia**

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This 11.2 km section of the Project is located in the district of Prešov and passes through the cadastral areas of Fričovce, Hendrichovce, Bertotovce, Chmiňany, Chminianska Nová Ves and Svinia. At its eastern end this section connects to the Fričovce bypass, which is already under operation. The route continues in a westerly direction before connecting to the existing D1 improved section at Svinia.

### **2.7 General Characteristics Of The Highway**

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The Project is designed as a dual carriageway (2+2) and includes multi-level junctions to maintain and improve the connectivity with the local road network as well as four tunnels with the total length of 7.3 km. Affected existing roads and tracks are diverted either over or under the proposed new route. The D1 will cross existing railways, roads, rivers, streams and drains. Where it is practicable retaining walls will also be constructed to minimise the Project’s required land take and impact on the environment.

The Project has aimed to minimise impacts on the environment and people through careful selection of the route in consultation with the public and completion of impact assessments compliant with Slovak regulations. The location of the Romany settlement at Chminany is an example of how the route selection and planning process was used to minimise impact on the community. The territorial and strategic planning that formed part of the settlement’s location took into account the proposed route corridor to ensure that the settlement would not be affected by the construction of the motorway.

## **2.8 Main Project Benefits**

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The proposed routes will improve both the internal and external connectivity of Slovakia. The main expected direct and indirect benefits include:

- Improvements in the conditions of transit and regional transportation.
- Decreased levels of accidents.
- Reduction of fuel consumption and traffic air emissions.
- Reductions of vehicle wear as a result of excluding driving through the urban areas.
- Improvements in living conditions and amenity in towns by diverting traffic resulting in reduced levels of emissions and noise.
- Improved interconnection between the regions within the Slovak Republic, namely improvement in the interconnection between the extreme western and the most eastern regions of the Slovak Republic.
- Improved accessibility to neighbouring regions and countries. The D1 is included in the International road corridor E50 connecting Brest – Paris – Nürnberg – Plzen – Brno – motorway D1 (Trenčín – Žilina – Poprad – Košice) – Mukacevo (Ukraine).
- Reducing regional disparities and enabling the economic development of the regions in question.
- Improved freight transport links.
- Accessibility to important regions for tourism, such as the High Tatras and Western Tatras.
- Increase of employment rate during the construction period, as well as during the operation period, of the Project.
- Strategically, the implementation of the Project will contribute to the competitiveness of Slovakia and its sustainable development.

## **3 Policy and Regulatory Background**

### **3.1 Land Rights**

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The protection of ownership rights is guaranteed by the Slovak Constitution. The Civil Code further stipulates and guarantees the same rights and obligations to all owners, whether private or public entities. Slovak law permits ownership of a land plot to be independent of and different from ownership of a structure erected on that land plot (i.e. the principle superficies solo cedit is not implemented under Slovak law).

Under Slovak law, State property does not automatically mean a right of anyone to use such property without specific legal title. State property designated for public use (such as roads) are publicly accessible for common use, without anybody having a right of claiming legal entitlement to its use, and without any right to seek compensation if use of such public asset is restricted.

Municipality property is governed by specific laws and regulations and is intended for fulfilment of the roles of Municipality only. Municipality property may be used for public or administrative purposes and business.

The State and Municipalities are entitled to dispose of their property freely at their own discretion subject to specific limitations in accordance with the relevant legislation.

Not all rights to the property must be registered (e.g. leases, contractual easement). If certain rights are not registered the applicant seeking compensation will have to prove the existence of such rights.

### 3.2 Expropriation Law and Regulations

Within the area of the Project as set out in the permitting drawings, MDPT is responsible for the acquisition of land and in obtaining the legal rights to demolish structures.

Key aspects of Slovak law that are of relevance to land acquisition and expropriation for the Project include the following:

- The Constitution guarantees the protection of ownership rights. Article 20–4 of the Constitution states that “Expropriation or enforced restriction of the ownership right is admissible only to the extent that it is unavoidable and in the public interest, on the basis of law, and in return for adequate compensation”.
- The Civil Code guarantees the same rights and obligations to all owners (either private or public entities, such as the State or Municipalities). Ownership may be also acquired by expropriation. Expropriation may only be done in accordance with the law, in public interest, for specific purpose and for appropriate compensation. The procedure of expropriation is governed by the Building Act.
- The Building Act further stipulates the aims of expropriation and applicable conditions. Expropriation may involve either the total acquisition of the affected party’s rights or restrictions of such rights. If expropriation is only required for a part of the affected party’s land but the owner or other authorised person would not be able to use the remainder, or would have difficulty to use it, the expropriation is extended to include the remaining part upon request by the owner.

The stages of land acquisition and expropriation process of relevance to the Project are outlined in the following table:

<b>Stage of acquisition / expropriation procedure</b>	<b>Activities</b>
1. Purchase by mutual agreement - acquisition	<ul style="list-style-type: none"> <li>○ Project sponsor to procure a real estate valuation expert</li> <li>○ The expert prepares the plot/real estate valuation and other documentation needed to determine the fair price</li> <li>○ The project sponsor proposes a draft sale-purchase agreement to the affected owner on a “willing buyer / willing seller” basis</li> <li>○ The agreement is negotiated and signed</li> <li>○ The final agreement price is based on the valuation price plus a bonus of 20%</li> </ul>
2. Purchase by involuntary procedure - expropriation	<ul style="list-style-type: none"> <li>○ If an amicable agreement is not reached in stage 1 above, or if the affected party does not respond, the Project sponsor initiates the expropriation procedure</li> <li>○ Hearing of parties is organised and objections are taken</li> <li>○ It is still possible to reach amicable agreement during the expropriation procedure</li> <li>○ Relevant authority decides on expropriation</li> <li>○ An appeal procedure - in the case where an expropriation procedure party appeals within the statutory period, the appeal is decided by an independent body.</li> <li>○ Expropriation decision may be subject of judicial review</li> </ul>

Compensation can be provided as a monetary or physical compensation or a combination of both. Compensation is based on an independent expert valuation, taking the fair value based on market price. The compensation awarded is equal to the price of a similar property at the same time, in the same place and in a comparable condition. The full replacement value is paid to the affected persons. The replacement value includes all relocation costs and includes costs of expert appraisals, administrative fees and notarial fees, so that the affected persons

are no worse off as a result of the Project. In the case where land is used for agricultural purposes, the expert valuation will reflect the full replacement value of crops or trees to be paid to the owner or lessee depending on which party owns the crop.

The State is seeking amicable acquisition of land insofar as possible. According to new legislation effective from 1<sup>st</sup> January 2009, landowners receive an incentive to voluntarily sell their land and assets by obtaining a 20% bonus on top of the expert's valuation. The increased price may also be paid after the expropriation procedure has started if an amicable agreement is achieved.

Part of the compensation for acquisition or expropriation of a residential building may be provided by procuring a flat or family house by way of direct purchase or building a new property. The size, equipment, value and location of a flat or family house must represent equal compensation for the purchased or expropriated flat or family house. When converted to financial terms the compensation must not be lower than the monetary compensation for expropriation. If compensation is provided by procuring the purchase of a replacement flat or family house or building a new flat or house, then the compensation also includes for any temporary accommodation required until the final property is available. The rent for the period of temporary housing is paid by the state for a period up to 18 months. The monetary compensation does not release the parties from the state's obligation to provide for users and/or owners replacement accommodation; so in practice the monetary compensation is set down in the purchase agreements and provided to notarial deposit and if the replacement accommodation is cheaper the rest is paid to the entitled person. The state pays for the services of estate agencies for their professional assistance in looking for the new or temporary accommodation unless the entitled person opts to find the accommodation themselves.

### **3.3 Concession Agreement and Related Responsibilities**

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As stated in the Concession Agreement, MDPT is responsible for the acquisition of land and obtaining the legal rights to demolish structures within the project boundaries as set down on the permit drawings.

The acquisition of additional land would be the Concessionaire's responsibility. Should the need for additional land acquisition arise, the Concessionaire would be responsible for any such activity at its sole cost and risk, notwithstanding the requirement for prior written consent of the Public Authority. The Concession Agreement states that *“Once the Additional Land has been acquired by the Concessionaire it will thereafter be deemed to be part of the Site for all purposes of this Contract and will be transferred to the Public Authority free of charge before any application for an occupancy permit. If any action required to be undertaken by the Concessionaire pursuant to this Contract can only be undertaken by the Public Authority, the Public Authority agrees to take such steps within its reasonable control whether by itself taking such action on behalf of the Concessionaire or by providing a power of attorney or other authority to enable the Concessionaire to take such action, provided that the Public Authority has the legal power to undertake such action or provide such power of attorney and that such action is taken at the Concessionaire's cost and risk.”*

This Resettlement Framework is therefore binding to both MDPT and the Concessionaire.

### **3.4 Public Consultation and Participation**

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Relevant Slovak public consultation requirements and regulations relating to land acquisition are mainly governed by the *Building Act* and the *Act on Administrative Procedures*, which amongst other issues regulates the zoning and building permit procedures. This legislation provides that everyone who is an owner of a plot neighbouring land to be used for the project

and whose rights might be affected by the proposed project (both conditions to be met cumulatively) has the right to participate in the public consultation procedures.

Each participant has the following rights:

- access to full documentation for review at the relevant project authority;
- the right to raise objections; and
- the right of appeal.

If objections raised within the permitting process are not accepted by the relevant authority in charge of the Project, the reasons for dismissal must be given in the final decision. The announcement of commencement of the zoning or building permit procedure is published by the relevant authority in all affected municipalities and official websites of the Sponsor's authority. In addition, it may be published in local newspapers, etc.

### **3.5 Lender's Requirements**

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#### **3.5.1 EBRD**

EBRD is applying its 2003 Environmental Policy to this Project. Involuntary Resettlement is covered by the EBRD's 2003 overarching Environmental Policy through the application of the World Bank Group's "Involuntary Resettlement" Operational Directive OD 4.30. The main points in this Directive are the following:

- All viable alternative project designs should be explored to avoid or minimise the need for resettlement and when it cannot be avoided, to minimise the scale and impacts of resettlement;
- Resettlement measures are to be conceived and executed as development activities providing sufficient resources to give the displaced persons the opportunity to share in project benefits. Assistance should be given to the community in their efforts to improve former production levels, income earning capacity and living standards or at least restore them to the levels they would have without the project;
- Displaced persons should be:
  - compensated at full replacement cost prior to the actual move;
  - assisted with relocation;
  - assisted and supported during the transition period.
- The absence of legal title to land should not be a bar to compensation;
- Particular attention should be given to vulnerable groups;
- Communities should be given opportunities to participate in planning, implementing and monitoring their resettlement;
- Resettlers should be helped with integration into their host community;
- Resettlement should be linked to the main project implementation schedule, so that Project Affected People should be resettled and/or compensated before being affected by the construction or other activities;
- There should be adequate monitoring and evaluation;
- In rural or agricultural areas, while cash compensation may be appropriate when residual land holdings are economically viable, "land-for-land" compensation is strongly recommended. For households who lose assets / income large enough to make the remainder unviable, compensation should be provided as if entire holdings had been taken;



- For losses that cannot easily be valued or compensated in monetary terms e.g. access to public services, customers or suppliers, fishing, grazing land or forests, attempts must be made to establish access to equivalent and culturally acceptable resources and earning opportunities.

### **3.5.2 IFC and Equator Principles**

The IFC's Performance Standard 5 (PS5) is applied by the IFC, as well as by Equator Banks since PS5 is referred to in the Equator Principles. Its main provisions include the following:

- Involuntary resettlement refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or means of livelihood) as a result of project-related land acquisition.
- Resettlement is considered involuntary when affected individuals or communities do not have the right to refuse land acquisition which results in displacement.
- This occurs in cases of: (i) lawful expropriation or restrictions on land use based on eminent domain; and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail.
- As involuntary resettlement may result in long-term hardship and impoverishment for affected persons and communities, as well as environmental damage and social stress in areas to which they have been displaced, it should be avoided or minimised.
- Where it is unavoidable, appropriate measures to mitigate adverse impacts on displaced persons and host communities should be carefully planned and implemented.

### 3.6 Gap Analysis

The following table presents a review of potential gaps between the provisions of Slovak law and EBRD’s requirements.

**Table 1: Gap Analysis**

Issue	EBRD Requirement	Slovak Provision / Requirement	Potential Gaps and Proposed Measures to Bridge Them
Avoidance/ minimisation of involuntary resettlement / expropriation	Involuntary resettlement should be avoided or minimised where feasible, exploring all viable alternative project designs. For example, realignment of roads may significantly reduce resettlement needs.	No explicit mechanism for avoidance or minimisation of expropriation, except for legal requirement to expropriate only to the unavoidable extent. However all parties are obliged by law to make all efforts to acquire the title to the land or building based on agreement with the owner or other entitled person.	The D1 motorway has been designed to minimise physical displacement and expropriation requirements. This has been achieved not only by its detail design but also by the route corridor’s inclusion in strategic plans.
Socioeconomic survey, Resettlement Plan	Resettlement plans should be based on recent information about the scale and impact of resettlement on the displaced population, including full socio-economic surveys.	No explicit requirement related with socio-economic surveys and resettlement plans.	A Resettlement Framework is prepared (this document). Monitoring by the Concessionaire of any additional land acquisition or occupation will amongst others aim at gathering socio-economic information on affected people.
Compensation eligibility	Compensation must be provided to persons or groups who may have usufruct or customary rights to the land or other resources taken for the project. Absence of legal title to land by such groups should not be a bar to compensation measures. A project specific census should be taken to prevent illegal encroachers and squatters from benefiting from compensation.	Only legally sanctioned owners of properties are entitled to obtain compensation.	It is understood that there are very few, if any at all, informal occupants along the proposed route. Eligibility of informal owners and related compensation measures are addressed in the entitlement matrix in Chapter 5 of this document.

Issue	EBRD Requirement	Slovak Provision / Requirement	Potential Gaps and Proposed Measures to Bridge Them
Compensation timing and amount	Compensation must be provided prior to the actual move and be based on full replacement cost.	Compensation is based on proposed replacement cost plus 20% if amicable agreement is reached – or replacement cost as calculated by Court expert without bonus if no amicable agreement can be reached.	No gap
General compensation strategy	Where land markets are in a formative state or are not fully functional, a “land for land” compensation approach (e.g. moving from one piece of land and house to another piece of land and house) should be preferred to cash compensation.	Cash or natural compensation allowed but in practice cash compensation in respect of land prevails.	Land markets in Slovakia are not in a formative state. Cash compensation rather than land for land is acceptable.
Livelihood restoration	The compensation package should aim at improving or at least restoring the economic base of those relocated (cash compensation alone is usually inadequate).	Slovak legislation has no particular provision related to livelihood restoration for affected people.	The 20% bonus on top of replacement value will allow for livelihood restoration in most cases. Monitoring will address livelihood restoration and any observed cases of hardship resulting from displacement will be addressed. According to agreements signed with affected persons they are allowed to use the house/flat without any payment until the replacement accommodation is provided for them.
Partial loss of land and related eligibility	Affected people should be no worse off after displacement and resettlement.	If only a part of the affected party's land is required but the owner or other authorised person would not be able to use the remainder or would have difficulty to use it, the expropriation is extended to include the remaining part upon request by the owner.	No gap

Issue	EBRD Requirement	Slovak Provision / Requirement	Potential Gaps and Proposed Measures to Bridge Them
Additional assistance to resettlers	<p>Assistance and support during move/transition period in the resettlement site should be provided.</p> <p>Resettlers should be integrated socially and economically into new host communities.</p>	<p>According to the special law associated with highways and expressways, for the period of temporary housing the rent for people from demolished houses can be arranged for up to 18 months.</p>	<p>EBRD requirement will be met. Details are provided in the entitlement matrix in Chapter 5 of this document. The agreements with affected persons contain provisions about replacement accommodation relating to relevant area, which is generally the same city or its neighbourhood as the acquired property.</p>
Grievance management and redress	<p>Grievance procedures available for disputes over land acquisition should be defined by resettlement plans.</p>	<p>People have access to Court but there is no specific grievance mechanism.</p>	<p>Amicable grievance management procedures throughout resettlement implementation are described in Chapter 6 of this document.</p>
Monitoring of resettlement implementation	<p>Arrangements for resettlement implementation monitoring and evaluating its impacts should be defined by resettlement plans.</p> <p>The borrower should continue monitoring and impact evaluation for a reasonable period after all resettlement and related development activities have been completed.</p>	<p>No specific provision.</p>	<p>Comply with EBRD monitoring requirements. Monitoring arrangements are defined in Chapter 7 of this document.</p>

## 4 Affected Properties

### 4.1 Affected Assets

The Project will involve the construction of a new motorway and the widening of existing roads which will result in permanent land take. The impacts of the Project on land and structures are summarised in the tables below. Note that some of the values in the tables vary from those stated in the Non-Technical Summary as the number of occupants in the dwellings has altered in the Dubná Skala to Turany section and some of the structures in the other sections have been removed by their owners of their own accord prior to the acquisition process being formalised.

**Table 2: Project Impacts on Land and Structures**

Type of land	Permanent	Temporary
Agricultural or forest land (hectares)	481	216
Residential houses	5	
Non-residential structures	24	

**Table 3: Structures to be Demolished**

Type of structure	Number of structures	Number of affected people
Residential houses	5	23
Non-residential structures	24	

**Table 4: Details of the Structures to be Demolished**

Structure	Status	Type of Agreement
<b>D1 Dubná Skala - Turany</b>		
001-00 Masonry storage	Complete	Financial compensation by mutual agreement
002-00 Brick station building	Complete	Financial compensation by mutual agreement
003-00 Greenhouse	Complete	Financial compensation by mutual agreement
004-00 Well	Complete	Financial compensation by mutual agreement
005-00 Station building	Complete	Financial compensation by mutual agreement
006-00 Storage	Complete	Financial compensation by mutual agreement
007-00 Ruins	Complete	Financial compensation by mutual agreement
008-00 Garages on the grounds of TDS Sučany (Timber company)	Complete	Removed by owner
009-00 Storage on the grounds of TDS Sučany	Complete	Financial compensation by mutual agreement
010-00 Family house on the grounds of TDS Sučany	Complete	Financial compensation by mutual agreement

<b>Structure</b>	<b>Status</b>	<b>Type of Agreement</b>
011-00 Masonry storage on the grounds of TDS	Complete	Financial compensation by mutual agreement
012-00 Transformer station and garages on the grounds of TDS	Complete	Financial compensation by mutual agreement
015-00 Residential house (multiple occupation)	Complete	Financial compensation by mutual agreement
016-00 Garden hut	Complete	Financial compensation by mutual agreement
017-00 Waiting hall of railway station in Sučany	Complete	Financial compensation by mutual agreement
022-00 Family house	Complete	Financial compensation by mutual agreement
023-00 Sheet garage	Complete	Financial compensation by mutual agreement
024-00 Garden hut	Complete	Financial compensation by mutual agreement
030-00 Storages on the grounds of Autona	Complete	Financial compensation by mutual agreement
031-00 Concrete kerb (unidentified object)	Complete	Financial compensation by mutual agreement
032-00 Storages in front of entrance to the Prefa Sučany grounds	Complete	Financial compensation by mutual agreement
033-00 Concrete unidentified object	Complete	Financial compensation by mutual agreement
034-00 Family house	Complete	Financial compensation by mutual agreement
035-00 Garden hut	Complete	Financial compensation by mutual agreement
<b>D1 Turany - Hubová</b>		
010-00 Administrative structure adjacent to house No.1	Complete	Financial compensation by mutual agreement
<b>D1 Jánovce - Jánovce</b>		
Midden	Complete	Financial compensation by mutual agreement
<b>D1 Fričovce - Svinia</b>		
030-00 Midden	Complete	Financial compensation by mutual agreement
Fence	Complete	Financial compensation by mutual agreement
Access road	Complete	Financial compensation by mutual agreement

## 4.2 Current Status of Land Acquisition

The following table shows the current (February 2010) status of land acquisition:

**Table 5: Status of Land Acquisition**

Section	Landowners	% Completion of Land Acquisition*
Dubná Skala – Turany	4,097	100
Turany – Hubová	3,944	89
Hubová - Ivachnová	8,189	84
Jánovce - Jablonov	3,204	97
Fričovce - Svinia	1,667	93
<b>Total</b>	<b>21,101</b>	<b>91</b>

\*Note that these figures include both voluntary acquisition and expropriation.

As of February 2010 6% of the agreements are by expropriation. There are a further 8% of the agreements where expropriation may still be used.

## 5 Entitlements

The following table presents the Entitlement Matrix: for each category of affected asset, the corresponding entitlement is identified.

**Table 6: Entitlement Matrix**

	Type of Affected Right or Property	Entitlement	Process and Specific Conditions
<b>1.</b>	<b>Land</b>		
1.1	Permanent acquisition of plot of land registered in the name of a private person.	Cash compensation of land plot at replacement value based on valuation established by an expert appraisal, with top-up of 20% if affected owner agrees to amicable settlement.	Amicable agreement Expropriation if no amicable agreement is reached.
1.2	Municipal or State land.	Defined by case by case agreement.	Case by case.
1.3	Temporary occupation of private land.	Monthly rent at market conditions Reinstatement to pre-Project conditions at end of occupation.	Amicable agreement.

<b>2.</b>	<b>Crops</b>		
2.1	Annual crop	Cash compensation at full replacement value as calculated by valuation expert:  (i) to be included in the valuation for the plot if owner of plot and owner of crop are the same legal person, <b>or</b>  (ii) to be paid separately to the rightful owner of the crop if owner of plot and owner of crop are not the same person.	Amicable agreement  Expropriation based on valuation established by an expert appraisal if no amicable agreement is reached.
2.2	Forest	Ditto 2.1	Ditto 2.1
2.3	Perennial crop	Ditto 2.1	Ditto 2.1
2.4	Damages to crops	Measurement of damaged areas and valuation of the loss at market value.	Amicable agreement.
<b>3.</b>	<b>Structures</b>		
3.1	Residential structure occupied on a permanent basis (occupied either by owner or by occupant)	(i) Cash compensation of land plot at replacement value based on valuation established by an expert appraisal, with top-up of 20% if affected owner agrees to amicable settlement (paid to the owner)  (ii) Moving allowance covering the cost of moving (paid to the occupant)  (iii) Paid assistance in finding new accommodation if requested by affected owner (and/or the occupant)  (iv) Paid costs of expert appraisals, administrative fees and notarial fees	Amicable agreement.  Expropriation if no amicable agreement is reached
3.2	Residential structure occupied on a non permanent basis (weekend house or similar)	Cash compensation of land plot at replacement value based on valuation by expert, with top-up of 20% if affected owner agrees to amicable settlement.	Amicable agreement.  Expropriation if no amicable agreement is reached
3.3	Non residential structure	Cash compensation of land plot at replacement value based on valuation by expert, with top-up of 20% if affected owner agrees to amicable settlement.	Amicable agreement.  Expropriation if no amicable agreement is reached



3.4	Damages to structures	Evaluation of damages on a case by case basis	Amicable agreement. Grievance mechanism Court settlement if no amicable agreement is reached
<b>4.</b>	<b>Informal occupants</b>		
4.1	Permanent or temporary structures erected without formal permit	No compensation but generally any issues that might arise would be resolved in co-operation with the state as any delays would not be beneficial to the project.	
4.2	Informal occupant occupying a residential structure	Assistance in moving to social housing and social monitoring.	Amicable agreement.
<b>5.</b>	<b>Businesses</b>		
	Business	Notwithstanding any compensation that may be due in respect of real estate assets (see 1.1, 3.1 and 3.3 above):  (i) assistance in re-establishing the business elsewhere  (ii) compensation for lost income during the period needed for re-establishing the business elsewhere, calculated on a case by case basis	Amicable agreement

The entitlement matrix applies regardless of the Project phase when assets are affected (pre-construction, construction, operation) and applies to both the granting authority (MDPT) and to the Concessionaire.

## 6 Grievance Management

### 6.1 Overview

The following principles will be adhered to:

- Any grievance related to land acquisition or to any other matter will be registered, acknowledged receipt of within 5 working days, and tracked until it is closed;
- Grievances will be processed and responded to within 22 working days;
- The grievance management system will include at least one level of extra-judicial review, in view of amicable settlement wherever possible without resorting to Justice.

## **6.2 Amicable Grievance Management**

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Grievances can be crudely split into two main types; there are those associated with the justification of the project and those associated with the day to day impact of the project. For the more general grievances associated with the justification of the project it is usual practice for the complainant to lodge a grievance at either the regional or national headquarters of NDS or MDPT. Grievances associated with the ongoing construction activities are likely to be registered with the Concessionaire's local Information Centres.

Where a grievance is received by either MDPT, NDS or the Concessionaire and the receiving party decides it should be dealt with by one of the other parties then the grievance shall be recorded by the receiving party and then passed onto the appropriate party as soon as practicable. Both the Concessionaire and MDPT will be able to register grievances in their headquarters, local offices and websites. The existence of these registers, as well as avenues and procedures to lodge a complaint (where, when, to whom, etc.), will be broadly communicated to the public.

For each grievance, a grievance file will be opened, including the following elements:

- Initial grievance sheet (including the description of the grievance), with an acknowledgement of receipt handed back to the complainant when the complaint is registered or within 5 working days;
- Grievance monitoring sheet, recording actions taken (investigation, corrective measures);
- Closure sheet, one copy of which will be issued to the complainant after they have agreed to the resolution and signed-off.

Grievance review will typically include the following steps:

- a. Allocation of the grievance to a designated officer for review and resolution proposal;
- b. Review of their expropriation/compensation files by the Concessionaire and/or the MDPT;
- c. Review of disputed properties, disputed boundaries, or property characteristics in the field, as applicable, and hearing of interested parties (the complainant and third parties as need be);
- d. Drafting of a response letter to complainant.

The close out at the level of the first tier will be sanctioned by a document, whereby the complainant acknowledges receipt of the proposed resolution and mentions whether he/she is satisfied or not.

Resorting to the amicable mechanism of grievance management does not preclude the aggrieved person to resort to Justice at any point in the process.

## 7 Monitoring and Reporting

### 7.1 Monitoring

The following table presents a list of indicators to be gathered during the first five years of the Project (construction period and the first years of operation).

**Table 7: Monitoring Indicators**

Indicator	Source of Information	Frequency
<b>Input indicators</b>		
Overall spending on expropriation and compensation	Financial records	Quarterly
Number of Project Affected Persons (PAPs) by categories	Census and grievance management	Quarterly
<b>Output indicators</b>		
Number of PAPs having moved into their new dwelling in the period	Data management system	Monthly
Number of PAPs having moved from their previous dwelling in the period	Data management system	Monthly
Number of people having received cash compensation in the period with distribution by compensation type and by classes of amounts	Data management system	Monthly
Number of individual compensation agreements signed in the period	Data management system	Monthly
Number of businesses re-established in the period, with distribution as relevant	Data management system	Quarterly

### 7.2 Reporting to Lenders

The indicators presented in the table above, together with any issue pertaining to compensation, expropriation and resettlement will be reported in an annual report to be appended to the general Project environmental report.

### 7.3 Data Updates On The Project In The Public Domain

A summary of the grievances and where applicable the responses (the Grievance Summary Report) shall be kept at the Concessionaire's Information Centres.

The data in tables 2, 3, 4 and 5 of Section 4 of this Resettlement Framework document shall be regularly updated by MDPT (minimum of every 3 months) and made available to the public through the Concessionaire's Information Centres and the offices of NDS as indicated below:

Národná diaľničná spoločnosť, a.s.

Information Centre

Námestie mládeže 3

080 01 Prešov

Email: [icpo@ndsas.sk](mailto:icpo@ndsas.sk)

<http://www.ndsas.sk/presov-kig/10185s>

Contact person: Ing. František Pavlík

*Národná diaľničná spoločnosť, a.s.*

*Information Centre*

*M. R. Štefánika 161*

*017 01 Považská Bystrica*

*Email: [icpb@ndsas.sk](mailto:icpb@ndsas.sk)*

*<http://ndsas.sk/povazska-bystrica-kjm/1487s>*

Contact person: Ing. Tomáš Pollák

## 8 Roles and Responsibilities

The following table presents the proposed distribution of roles and responsibilities between the MDPT and the Concessionaire for each of the main tasks.

**Table 8: Roles and Responsibilities**

<b>Task</b>	<b>Responsible Entity</b>
Expropriation and acquisition required for the reference design <sup>1</sup> .	MDPT
Land acquisition required for construction or operation needs in addition to that land required for the reference design.	Concessionaire
Temporary land occupation required for construction or operation needs as indicated in the reference design.	MDPT
Temporary land occupation required for construction or operation needs in addition to that land required for the reference design.	Concessionaire
Grievance management	MDPT and Concessionaire <sup>2</sup>
Monitoring and reporting in respect of expropriation and acquisition required for the reference design.	MDPT <sup>3</sup>
Monitoring and reporting in respect of land acquisition or expropriation and/or temporary land occupation required in addition to that required for the reference design.	Concessionaire

<sup>1</sup> The reference design is the design as included in the permits and Disclosed Data as defined in the Concession Agreement.

<sup>2</sup> MDPT and the Concessionaire to manage the grievances as per Section 6 of this Resettlement Framework. Summaries of those grievances, and where applicable the responses, are to be forwarded by MDPT to the Concessionaire for inclusion in the Grievance Summary Report.

<sup>3</sup> Where MDPT data is required to be included within the Concessionaire's Information Centres this shall be provided by MDPT for inclusion in the Information Centres by the Concessionaire.